The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Manchurian Issue Blocks Sino-Japanese Reconciliation---The Nanking Talks

ARTICLES IN THIS ISSUE

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SATURDAY, FEBRUARY 9, 1935 VOLUME 71, NUMBER 11

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Tientsin, 1st July, 1934.

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WHY JAPAN BANNED BLAKESLEE'S BOOK ON ASIATIC CONFLICTS

PROF. George H. Blakeslee, head of the department of history and international relations at Clark University, is a mild-mannered, but very thoughful and observing college professor. He has the ability of thinking out practical solutions for puzzling international problems and this ability has gained him recognition in high circles both in the United States and abroad. His record in *Who's Who* indicates that he has done a lot of work since he graduated from college about thirty-five years ago. Of most recent interest was his service as a technical adviser to the American delegation on limitation of armament and counselor to the American members who served on the Lytton Commission. He has written a great deal on problems in and about the Pacific, his latest book, prior to the one which the Japanese allegedly have banned, being entitled, "The Pacifie Area—An International Survey," which was published in 1929.

The report that the Japanese military authorities have banned Prof. Blakeslee's latest book entitled, "Conflict of Policy in the Far East," has not been confirmed officially, but if true the action will constitute confirmation of considerable evidence appearing in the book that Japan is not interested in "establishing peace in Asia," as her leaders so frequently and vehemently assert. Since Prof. Blakeslee's book (Published by Foreign Policy Association and World Peace Foundation, New York) consists of only 56 pages, it can be read in a couple of hours and since it is written in simple direct language, it can be understood by almost anyone—which may be the reason why the Japanese warlords banned it, while passing heavier tomes more difficult of comprehension by the military mind.

Prof. Blakeslee starts out by explaining conditions in China and Japan and follows with a short chapter on Japanese-Chinese relations which covers the Manchurian issue, Jehol and North China and the Tangku armistice, the Pan-Asian doctrine, Chinese policy toward Japan and then the entire issue involved in Japan's right to preserve peace in eastern Asia. He then takes up the question of the naval ratios and shows how

naval limitation is so closely entangled with the Asiatic interests and policies of the various nations that it is impossible to unscramble the two issues and consider them as separate and unrelated questions. Then of fundamental interest is his discussion of Soviet Russia in Asia, considered from the respective standpoints of both China and Japan. With reference to the relations of Japan and the Soviets he said that after balancing all the factors, it appears unlikely that a Soviet-Japanese war will take place in the near future, but he quickly qualified the statement by concluding the paragraph with, "Nevertheless the situation is inflammable and dangerous."

There is a thorough discussion of the position of the United States in the Pacific and the Far East, a subject of special interest in view of Japan's abrogation of the Nine-Power and Naval treaties and present attempt to obtain a free hand in dealing with China. In this regard, Prof. Blakeslee stated that the United States, as well as other leading nations, believes that there would be neither equity nor reason in consenting to a Japanese "guardianship" over China." Regarding rumors of war between Japan and the United States he said that the talk of war was greater than the danger of war. Answering the question, "What would be the use of Japan fighting the United States?" he said that if Japan should be defeated, "which is probable, it would be completely crushed economically and financially, and would lose its influence in China, probably Manchuria and possibly Korea as well. It clearly would not pay Japan to risk a war with the United States."

Then what of the future? Prof. Blakeslee said that since there is a real desire on the part of both Japan and America to be friendly, that mutual self-restraint and a spirit of conciliation should be developed pending a more hopeful prospect for the settlement of the actual differences between the two countries. Ruling out the various Japanese suggestions for a direct conference between the two countries, a non-aggression pact and other schemes on the ground that they make no provision for the participation in the discussion of other Pacific states and ignore the Nine-Power treaty, Prof. Blakeslee made the following significant declaration, "But the most effective means of settling not only the outstanding questions of the Far East but the issue between Japan and the United States would be the development of a strong China, friendly to other states and liberal in its economic relations. In the meantime, it is the judgment of the world that Japan should abandon its present China policy." Continuing, he said, 'But if the powers should acquiesce in Japan's action (seizure of Manchuria), it would not necessarily bring either security or peace to the Far East. There is China to be reckoned with—and the U. S. S. R. So long as China remains weak, the Chinese may accept without further resistence Japan's conquest of Manchuria and Jehol and its dominant position in North China, much as the Chinese acquiesce in Japanese rule in Dairen and Port Arthur, and French rule in Indo-China. But the principle of nationality, now so dominant in the world, which has already shown its power in China, points to the probability that the Chinese will not continuously and permanently accept the present situation. If China, however, should become strong and increasingly nationalistic, it would probably force Japan to withdraw or to compromise —or there would be another war." He concluded with the sentence, "A Japanese-controlled Manchukuo gives no promise of being a permanent solution of the difficulties in Northeastern Asia."

The fact that Prof. Blakeslee served on the Lytton Commission and the further fact that this book was published by the Foreign Policy Association and World Peace Foundation, would seem to indicate that influential opinion in the United States still holds to the suggestions embodied in the Lytton report as a means of settling the issues raised by the Japanese occupation of Manchuria. The integrity of China and the peace of Eastern Asia, concern all the states which have interests or treaty obligations in that region, he declared and stated further that Japan has inflicted a defeat on the world's peace forces even greater than that on the Chinese forces in Manchuria and Jehol. He concluded with the following remarks which should give serious thought to the military buccaneers who are now playing fast and loose with the destiny of Japan.

"Japan is peculiarly dependent upon foreign trade: should China, the United States, the British Empire and the Soviet Union carry out a rigorous policy of economic nationalism, it would doubtless be unfortunate for all states concerned; but it would be ruinous to Japan, and would directly endanger the peace of the Far East. The way out in Eastern Asia is along the path of cooperation and the nation which has most to gain by following this route is Japan."

This is the first serious suggestion that we have seen regarding a united move against Japan on the part of America, Britain, Russia and China. It is interesting that the two leading peace societies in the United States should foster this idea and also significant that they have sponsored such a positive and "fighting" book by a man whose opinions undoubtedly carry much weight in influential circles in the United States. If it also is true that the Japanese General Staff barred the book from sale in their country that also is both significant and helpful, for it will stimulate perusal of the book elsewhere!

Manchukuo to Dispatch Trade Agents to Various Foreign Countries

In view of Manchukuo's growing foreign trade, the Foreign Affairs Department is planning to increase the number of consulates in Japan and in Soviet Russia and also to establish consulates in El Salvador. The Manchukuo authorities are stated to be planning to establish offices of trade affairs in Germany, America, and the South Seas, all these countries having close commercial connections with Manchukuo.

Eurasia Aviation Corporation Announces Cut in Passenger Fares

To celebrate the fourth anniversary of successful establishment of the Eurasia Aviation Corporation, it has been decided to offer a discount of 25 percent on all passage fares and freight charges for a period of three months from February first to April 31 for all its air routes, including the Shanghai-Sinkiang, the Peiping-Canton, and the Lanchow-Paotou lines.

SETTLEMENT BECOMES NAUGHTIER AS CHINA GOES PURITANICAL

IT is distinctly incongruous that the International Settlement should become more wide-open and immoral from the standpoint of gambling and most of the other vices at a time when the Chinese authorities are exerting their utmost efforts to rectify conditions in Chinese-controlled areas. Recently much has been heard about the New Life Movement, the banning even of the ancient game of mah-jongg, the execution of opium dealers and even the prohibition on bobbed hair, all of which indicate that China is trying to stage a moral come-back. But it must be distinctly discouraging and exasperating to Chinese leaders to know, as they assuredly do, that conditions in their chief city—which is controlled by Occidentals—are growing progressively worse. A few weeks ago we published in these columns a report that a half dozen gambling joints had been opened in the western or residential section of the city. Since that report was published several others allegedly have been opened and we have been informed of one case where two local Chinese residents were fleeced of large sums, so large that they complained to one of the police stations about it. That the Settlement police are aware of the situation is obvious, just as obvious as it is that those still higher up are also aware—in fact the whole thing is so obvious as to give the impression that Shanghai is rapidly degenerating to the status that prevailed during the Barbary Coast days in early San Francisco. The reason for this degeneration in a city where the maintenance of law and order and European prestige were once considered a paramount consideration is difficult of understanding, unless it is an indication that foreign control is passing and that those in authority no longer care what is happening while a few buccaneers and grafters are cashing in at the finish.

Little Hope For Real Sino-Japanese Peace Unless Japan Quits Manchuria

THERE has been considerable discussion recently about the possibility of a reconciliation between Japan and China, but a careful perusal of all of the reports pertaining to the recent conversations in Nanking on this important subject discloses the important fact that there has been little actual "meeting of minds" on the issue. This is another way of saying that while Japan and China have vital common interests, historically, geographically, racially and in innumerable other ways, they are still "talking a different language" when they discuss peace and cooperation. This was indicated in the statement issued by General Chiang Kai-shek on February 1, prior to his departure from Nanking for his military headquarters in Nanchang.

If one could place exact translations of the recent statements of the Chinese and Japanese leaders in parallel columns and carefully weigh their respective meanings it would be immediately apparent that there has been little genuine improvement in the relations of the two countries. The Chinese, because of their weaker position, have been compelled to modify somewhat their outward manifestations of ill-will toward the Japanese, but fundamentally there has been little or no change in the real, or underlying patriotic sentiments of the Chinese people. The fact that China, because of military pressure, has agreed to a resumption of direct rail-traffic, transmission of mails and has agreed to the opening of border customs houses between north China and Manchukuo doesn't mean that the Chinese people have consented to Japan's permanent control of the Manchurian provinces. It is likewise true that the National Government's consent to the establishment of direct radio communication between Japan and China, or Nanking's agreement to refund certain of the old defaulted Japanese loans and pay Japan an indemnity for the Nanking and Tsinan incidents do not mean that the two countries have agreed to "cooperate" in the sense that Japanese politicians use that term.

As one influential Chinese leader put it, "We may be compelled to enter into certain 'temporary' arrangements with Japan, but this does not mean that China has given up her nationalistic program or has consented to the Japanese doctrine of hegemony in Asia. . . . So long as the major issue of Japan's control of Manchuria remains there can be no lasting reconciliation or genuine friendship between the two countries." As General Chiang Kai-shek put it in his declaration following the Ariyoshi and Suzuki interviews in Nanking, "During this complicated period of international crisis nothing short of a real application of the principle of equality between nations can ever dispel international clouds of suspicion and bring the world back to a bright future." In reply to a question expressing fear that China may beecome a Japanese protectorate, Gen. Chiang inquired, "What is the object of our revolution other than to secure an independent, strong and united China . . . the suggestion is too childish and fantastic to be given credence by anyone who understands Sino-Japanese relationships and takes a realistic view of present day Far Eastern affairs."

In his statement, a fuller report of which appears elsewhere in this issue, Gen. Chiang was careful to point out that the so-called anti-Japanese movements in China have been the direct result of Japanese aggression, hence there can be no genuine improvement in the relations of the two countries unless there is a change in Japanese policy. In other words, "Japan's aggressive

policy toward China and China's anti-Japanese movements should be corrected sumultaneously ....this is the only way to bring the two countries back to the normal level of mutual friendship." Going still further, Gen. Chiang admitted that a certain section of the Chinese people are anti-Japanese and that the Government had continually used reasonable persuasion to modify this attitude ....but since this anti-Japanese sentiment has been caused by repeated Japanese aggravation, there must be some fundamental changes in the Japanese attitude. "Our people should foster an attitude of rational reasoning and reasonableness and control their emotions, which are responsible for the anti-Japanese movements, but at the same time the Japanese people should reciprocate in a spirit of mutual goodwill by changing their traditional attitude." In reply to the recent Japanese statements about "cooperation," Gen. Chiang declared at the very beginning that it always had been the policy of the Chinese Government to conduct its diplomatic affairs on the fundamental basis of justice and peace, *with the object of peaceful cooperation with every and all nations*....liquidating whatever causes which might breed an atmosphere of hostility."

The meaning of these statements, which must have been made after most careful thought and deliberation, indicate quite clearly that China stands ready to bury her animosities and take steps to reestablish friendly relations with Japan. In fact China has shown her sincerity by already making concessions, but fundamentally there can be no genuine improvement unless Japan shows good faith and takes steps to alter the traditional attitude of Japan toward China. And this leads inevitably to the fundamental isssue of Manchuria. In this connection it is of interest to note that the most widely read and discussed article bearing on the relations of China and Japan in many weeks was the prize essay written by Hsu Tao-lin, recently published in the Nanking *Foreign Relations Review*. Mr. Hsu's article constituted a most searching discussion of the relations of China and Japan and exploration of the possibility of reconciliation, but he always came back to the fundamental issue of Manchuria: "As soon as Japan shows her sincerity in finding a solution, China should respond to the only condition: that Japan discards her policy of territorial aggression, that she returns to China the four northeastern provinces which she occupied by military force."

Wang Ching-wei, head of the Executive Yuan and concurrently Minister of Foreign Affairs, expressed somewhat similar views with respect to Japan's proposal for cooperation in an interview with Japanese correspondents in Nanking on Jan. 25. In reply to a question regarding an agreement with Japan, Mr. Wang declared, "China has constantly tried to improve her relations with Japan, but it is impossible to make any progress until Japan is willing to cooperate ....China appreciates the interest of Foreign Minister Hirota in her welfare, particularly his recent statements about China's domestic situation and his suggestion for joint effort of the two countries in the maintenance of peace in the Orient ....But about a Sino-Japanese coalition, that is something which China must study carefully.... For China to associate with Japan does not mean that China cannot cooperate with European nations and America and likewise it is impossible for China to cooperate with foreign countries and exclude Japan." With reference to anti-Japanese movements in various parts of the country, Mr. Wang stated that they were due to various complicated factors, particularly to Sino-Japanese commercial relations, but despite the dimculties involved the Chinese government would exert its utmost efforts to bring the movements under strict control. In conclusion Mr. Wang assured the Japanese that while a commercial loan from foreign sources may be necessary in the future, no political loans were under consideration at the present time by Nanking officialdom. He also said that the National Government would express its views on the transfer of the Chinese Eastern Railway to Japan following the conclusion of the Russo-Japanese negotiations at Tokyo.

While there are many Japanese, including the present Finance Minister Korekiyo Takahashi, who realize the dangerous drift of affairs in the Far East this feeling has not yet reached the military leaders who are actively preparing for war and in consequence are determined to force China into an alliance. Even the Foreign Minister Koki Hirota, who derives his political strength from the reactionary Black Dragon Society, realizes the necessity of placing the relations of Japan and China on a more equitable basis, but since the reactionary military clique has the upper hand in Japanese politics there is little possibility of any return to normal relations on the part of the two countries. The mailed fist of the Japanese warlord is constantly in evidence, in fact was very much in evidence in Nanking during the recent conversations. Akira Ariyoshi, the Japanese Minister to China was not only accompanied on his recent visit to Nanking by Lieut.-General Yoshimichi Suzuki, Military Attache, but also by Lt.-Col. Kagesa, special representative of the Kwantung army, who recently has established an office in Shanghai with a large staff. A few days prior to the visit of Japanese officials to Nanking, the Kwantung army launched its drive into Chahar province and while this incident, involving Japan's control of some 1,600 additional square miles of Chinese territory, was described as a "local affair," there was no disguising the fact that it was staged for the purpose of reinforcing Japan's diplomacy at Nanking. Less than a week following the Ariyoshi-Suzuki-Kagesa conversations in Nanking, Koki Hirota Foreign Minister declared in the Diet that Japan alone was responsible for the mantenance of peace and order in the Orient and that the "Amau statement" pertaining to Japan's hegemony over China, was regarded as the "fundamental aim" of the present Japanese Government. "Japan considers it only natural that to keep peace and order in East Asia it must

act single-handedly and upon its own responsibility. . . . In order to fulfill this obligation, Japan must expect its neighbor countries to share the responsibility of maintaining peace, but Japan does not consider any other country except China to be in a position to share that responsibility with Japan." Continuing, the Japanese Foreign Minister declared that Japan will oppose any attempt of China to avail herself of the influence of some other country with the idea of 'repelling' Japan and that Japan objected to the sale by foreign nations of airplanes to China, the supplying of military advisers or the establishment by China of airdromes on her own territory. Then after referring to the recent visit of Arivoshi and Suzuki to Nanking and the interviews with Gen. Chiang Kai-shek, Hirota declared, "China is beginning to understand Japan's intentions."

Of still further significance was an article in the *Nichi-Nichi Shimbun*, leading Tokyo daily on Jan. 28 that Japan was prepared to "deal firmly" with China in accordance with Japan's established policy on the following points:

1—If China establishes a policy of self-recovery and desires to enter into cooperation with Japan alone, politically, economically and militarily, Japan will spare no efforts in cooperating with China with the object of liberating China from international bondage.

2—This will be especially true if China agrees to cooperate with Japan and withdraws from the League of Nations.

3—Japan will maintain an unfriendly attitude toward any political, economic or military assistance to China which may be planned or executed in the name of the League.

However, a more direct indication of Japan's immediate objective was provided by a dispatch from Hsinking, capital of Manchukuo, which appeared in the *Japan Advertiser* on Jan. 29. Quoting Gen. Jiro Minami, Commander-in-Chief of the Kwantung army, the dispatch stated that the Kwantung army shortly would press China to conclude a new Sino-Japanese treaty wherein China would be compelled to give guarantees against any future invasion of Manchukuo. If this treaty materializes, Japan will hold the National Government at Nanking directly responsible for any future fighting in Manchukuo territory caused by Chinese disregard of the borders of the new state. Gen. Minami stated that steps would be taken with regard to the negotiation of the new treaty as soon as Japan had straightened out the Chahar complications.

The reports in the Japanese newspapers dealing with the recent interviews of Japanese diplomatic and military officials with Gen. Chiang Kai-shek and Wang Ching-wei provide a further insight into Japan's actual motives. The *Asahi Shimbun* on Jan. 30 contained a telegraphic report from Nanking teelling of the interview between Lieut.-Gen. Suzuki and Gen. Chiang Kai-shek which took place on the preceding day in Gen. Chiang's official headquarters in the Central Military Academy. According to the report, Gen. Suzuki called Gen. Chiang Kai-shek's attention to the fact that it was the anti-foreign policy which the Kuomintang had been following since the 1911 revolution, particularly the policy of resisting Japan, which was responsible for the Manchurian incident of 1931 and succeeding "disharmony" between Japan and China. "There is but one way to adjust this deadlock and that is for China to awake to the realities of the situation in the Far East and fundamentally revise her entire policy toward Japan. If China is agreeable to this, it should be easy for Gen. Chiang Kai-shek to find ways of carrying it out. If Gen. Chiang could not accept this proposal, then there was no use in discussing the hundred and one other common problems outstanding between the two countries." According to a further report in the *Asahi* Gen. Suzuki declared that he had told Gen. Chiang Kai-shek that the only way to adjust Sino-Japanese relations was for the Nanking Government to immediately control all anti-Japanese activities on the part of the Chinese people and all anti-Japanese education in the Chinese schools. "I told Gen. Chiang that the cause of the Manchurian incident lay in the anti-Japanese guidance work under the influence of Gen. Chiang himself. . . . Although the interview did not reach a stage where Gen. Chiang was induced to understand our intentions fully, it seemed to me that some measures are being taken in Chinese circles indicating that Japan's real intentions are being recognized to some extent, but with what real sincerity Gen. Chiang is planning to strengthen Sino-Japanese relations will have to be examined in the light of future concrete results."

The *Asahi Shimbun* also published a report in its issue of Jan. 30 giving details of the interview between the Japanese Minister Arivoshi and Wang Ching-wei, head of the Nanking Executive Yuan. The report stated that Ariyoshi had explained in detail the significance of Hirota's recent speech in the Japanese Diet wherein the Tokyo Foreign Minister had dwelt on the "fundamental principle of non-menace and non-aggression in dealing with China and strongly advised China to settle her frequent anti-Japanese activities and promote Sino-Japanese cooperation." Arivoshi said that Japan was ready to consider concrete measures based on Hirota's announced principles." The report concluded with a statement that Wang Ching-wei allegedly had informed Ariyoshi that the Chinese authorities had agreed to reinstate the Japanese secretary in the Chinese Custom House, who recently had been dismissed and whose dismissal had been the cause of further Japanese protests lodged with the Government at Nanking.

These reports bear out the statement made in the beginning of this article that there can be little hope of a restoration of normal relations between China and Japan so long as the fundamental isue of Manchuria remains in the way. As stated in the foregoing, while China has agreed to the re-establishment of rail and postal communications, she has done so as the result of military pressure and has carried out the action in such manner as not to involve herself in outright diplomatic recognition of the Japanese protected

puppet state of Manchukuo. The Japanese Kwantung army, as indicated in the Hsinking dispatch reprinted in the foregoing, is now determined to compel China to negotiate a special treaty granting recognition to the puppet state. All of the other talk about "cooperation" is merely supplementary to the fundamental Manchurian question. Should China agree to a recognition of the puppet state it would constitute a negation and repudiation of all the ideals and principles of the nation as expressed by its past and present leaders over a long period of years. Worse, it would constitute China's voluntary submission to colonial bondage within the Imperial Japanese Empire. Obviously no Chinese patriot could agree to this and any Chinese government which would ratify such a proposal would not be able to command the respect and support of the people for many days after it became known.

The Japanese military clique is determined to split China off from independent relations and contact with the rest of the world, following which they would transform this country into an appendage of their military machine to the end that the resources and manpower of China might be utilized in grandiose schemes of world conquest. The National Government, in one way or another, has managed thus far to sidestep the fundamental issue, but the day is apparently not far distant when those in authority at Nanking will be compelled to make the vital decision!

Japanese-Manchukuo Authorities Make Indemnity Demands in Mongolian Border Dispute

PRELIMINARY negotiations for a settlement of the Khalka Miao affair, in which Manchukuo and Japanese troops clashed with a force of Outer Mongolians north of Lake Puir Noir, were opened between Outer Mongolian authorities and the commander of the North Hsingan provincial guards early this week. It is understood that the Japanese and Manchukuo authorities will make several important demands, including indemnification and non-recurrence of border incidents, when formal peace negotiations are opened. The Mongolians, it is stated, desire the conference to meet at Urga, but Manchukuo insists upon Khalka Miao, which was captured by Japanese and Manchukuo troops following the outbreak. The headquarters of the Kwantung Army is also in favor of Khalka Miao, declaring that Urga is impossible, as the border is in a state of virtual blockade.

The clash, which occurred on Jan. 31 and which was precipitated, according to the Japanese, by an alleged attack by Outer Mongolians, upon a Manchukuo patrol, resulted in heavy losses to the Mongolians who had to withstand three severe assaults from a combined force of Japanese and Manchukuo troops.

Lake Puir Noir, near the scene of the fighting, is situated in the north-Western corner of Manchukuo, about 100 miles south of Hailar, and forms a natural boundary between the new state and Outer Mongolia.

Four maps issued by independent Russian and Chinese agencies are cited by Manchukuo authorities in establishing their claims to the Khalkamiao area in western Hsingan Province where Manchukuo and Outer Mongolian forces clashed late in January. Manchukuo authorties vehemently contested the claim said to have been made in Urga by high Outer Mongolian officials, to the effect that the disputed area belonged to Mongol banners which had pledged allegiance to the Mongolian People's Republic. Outer Mongolian troops were "clearly in Manchukuo territory" previous to Jan. 31 when combined Japanese and Manchukuo forces drove them south of the Khalka River, said by officials in Changchun to be the "traditionally recognized frontier," it was asserted in official circles. The basis for the assertions, Manchukuo authorities in Changchun said, were as follows:

Communication Map of China and Russia, issue by the Three Eastern Provinces' Military Land Surevy Office.

Communications Map on a 1-4,200,000 scale of Asiatic Russia, issued by the Communicatoins Ministry of Imperial Russia in 1908.

Communication Map of Manchuria, on a 1-1000 scale issued by the Economic Bureau of the Chinese Eastern Railway in 1932.

Japan Supports Manchukuo's Claim

Japan supports Manchukuo's claim to the Khalkamiao district, a War Office spokesman stated in Tokyo, Feb. 6. The statement termed the Outer Mongolian contention that the disputed area always belonged to Outer Mongolia, "unreasonable." On the other hand, the spokesman said, "it is an established fact that the territory belongs to Manchukuo." Commenting on the reported rejection of Manchukuo's offer to negotiate, the spokesman said: "If the rejection has been made by some local officers, who acted independently of the Outer Mongolian Government, it constitutes a proof of the inability of the central authorities to control the border officials." The spokesman said that the Japanese-Manchukuoan force "attacked near Khalkamiao on Jan. 23" was on the way to the border to negotiate on an "invasion of Manchukuo's soil on January 8."

A statement made to the correspondent of *Tass* in Wan-Pator by the premier and minister of foreign affairs of Mongolian People's Republic, Mr. Gendun, contained the following:—"Since Manchurian authorities, in an attempt to explain their illegal actions, informed the whole world that the area of Khalkhin-Sume allegedly always belonged to Manchuria and in order to convince the foreign countries of the lawfulness of their actions, declared they proposed to the Mongolian authorities to start negotiations about the frontier in this area, and in view of the fact that the region of Khalkhin-Sume has from time immemorial belonged to the territory of Khalkha Mongols, the Mongolian Government agrees to enter into such negotiations with the Manchurian Government."

Halha Is in Manchukuo Territory, Japanese Army Claims

The *Nichi Nichi*, Feb. 1 pointed a disputch from Hailar quoting a Japanese army statement as follows:

1.—The Soviet side is circulating fabricated rumors to the effect that the Manchukuo troops invaded Outer Mongolia and killed the commander of a frontier corps. The rumors are entirely without foundation. Up to the present Manchukuo has not used force even once.

2.—The Manchukuo side is still desiring a peaceful settlement and yet the Outer Mongolians twice had the insincerity of returning our messenger or notice. However, negotiations will be conducted once more for the final effort.

3.—It is asserted by them that the territory in the neighborhood of Halha belongs to Outer Mongolia. But the spot is situated 10 kilometers north of the Halha River separating Manchukuo from Mongolia. Most of the present maps drawn with the Halha River as the frontier line are those prepared on the basis of the Soviet maps. Even old maps make it clear that the spot belongs to Manchukuo.

4.—Last year due to a landslide, the stream of the Halha River was halted and the water overflew the banks, branching into the Ulshun (accurate spelling?) River as if it were the main stream. Taking advantage of this change, the Outer Mongolians invaded the delta including Outer Mongoian territory, and although they once withdrew, they came again across the border in January this year. They this time stayed and drove out Manchukuo patrols in the neighborhood of Halha. They have thus caused the present unfortunate incident, the responsibility for which entirely rests with the Outer Mongolian Red troops.

Hirota Assures Foreign Governments of Japan's Peaceful Intentions

Visibly perturbed at the unfavorable foreign reaction to the reports of the recent clash between Japanese-Manchukuo forces and Outer Mongolian troops on the banks of Lake Buir, Foreign Minister Koki Hirota Feb. 1 moved to reassure other governments of Japan's peaceful intensions. In cabled instructions to Japanese embassies and legations abroad, Mr. Hirota directed his representatives to notify the governments to which they were accredited that the Japanese Army was seeking to localize the matter. Mr. Hirota gave assurances that as soon as a sincere pledge not to invade Manchukuo is received from the Outer Mongolian forces the matter would be settled. The Minister stressed that the whole disturbance arose following the violation of Manchukuo's frontiers by Outer Mongolian soldiers.

Kwantung Army to Seek Compensation for Lake Buir Clash

The Kwantung Army intends to seek compensation for the "individual damages" suffered during the recent clashes near Lake Buir, close to the Manchukuo-Outer Mongolian border, a high Army official stated in Changchun Feb. 5. As soon as the Army succeeds in establishing contact with the responsible authorities in Outer Mongolia, it will ask for compensation and also for a pledge to refrain from invading Manchukuo territory, the official said. Similar demands will also probably be made by the Manchukuo Government, independently of the Kwantung Army, the official added.

Manchukuo Army Makes Stipulations

The Manchukuo Army commander in Khalkamiao has made the following stipulations:—1. All Outer Mongolian forces should evacuate Manchukuo territory and retreat south of the border line created by the Khalka River. The Manchukuo Army will not proceed south of the Khalka River line. 2. Delegates should be sent to a point west of Shanar to discuss details after the evacutaion of the troops has been carried out. 3. Outer Mongolian troops should not cross the Khalka River and line and refrain from all warlike activities. Unless this is observed we shall be compelled to resort to force, but the responsibility for causing us to this last resort rests entirely with you. 4. Manhcukuo troops will refrain from warlike activities while the negotiations are going on.

Outer Mongolians Say Japanese Were Aggressors

Regarding the Buirnor invasion by Outer Mongolian troops, Premier and Foreign Minister Gendun of Outer Mongolian Republic announced: "The truth about the frontier trouble between Manchukuo and Outer Mongolia is that Manchukuo soldiers illegally entered Outer Mongolian territory and shot to death Outer Mongolian soldiers."

Soviet Air Expansion Closely Watched by Japanese

The *Osaka Mainichi's* staff correspondent at Mukden states that Soviet Russia's army air network in Eastern Siberia, keeping pace with the rapid progress of the Soviet second five year plan, is steadly approaching completion. At present there is hardly a towin which is not served by regular air lines. There are altogether 15 air routes operated in that part of the world. In addition to the trunk trans-Siberian airway, which links Europe with Vladivostok via Chita and Habarovsk, the Soviet air routes almost completely flank the northern borders of Manchukuo and indirectly the Empire of Japan from across the Japan. Sea Among the most noteworthy facts is the concentration of air routes close to the Manchukuo borders, especially around Pogranichinaya, Habarovsk, Blagoves chnsk, and Manchuli, where Soviet Russia has established army barracks, and a series of "tochka" or concrete-lined minor forts.

Of all the Eastern Siberian towns, Habarovsk has been made the largest air center. From this town radiate five branch air lines, such as Habarovskto Blagoveschensk, Habarovsk to Bilo-Bijan, Habarovsk to Comsolinsk, Habarovsk to Oha, and Habarovsk to Alexandrovsk (North Saghalien).

With Vladivostok as the center, two branch air routes are operated, namely, Vladivostok to Vladimir-Alexandrovsk and Vladivostok to Anutino.

With Blagoveschensk as the center, two branch air routes are operated, Blagoveschensk to Pochkalevo (on the trunk airway), and Blagoveschensk to Pojalkovo.

Nikolayevsk, where the Amur river empties into the Strait of Tartary, is another center for aeronautic activities in northeastern Siberia. Three air routes are operated from there, such as the Nikolayevsk to Dekastri, the Nikolayevsk, to Kelbin, and the Nikolayevsk to Golchan lines.

"New Orientalism Movement"---By a Chinese Savior of Asia*

BY C. Y. W. MENG (孟長渭)

THE peace in Europe is now saved, but the peace in Asia is now in danger! The "war cloud" which once darkened the sky in Central Europe is now disappearing; but the "war cloud" in Asia is gatherng thicker than ever before! It, therefore, devolves on me—the savior of Asia—to call the attention of the Asiatic people to the seriousness of the situation; to arouse the interest of the Asiatic people to do what they can to remove the real cause of conflict once for all; and to save the whole situation before the catastrophe actually falls on us!

In the last century, Asia was once in great danger. Beginning from 1842, it marks a series of losses of Asiatc territories to the European powers. Particularly, at the end of the last century, we find that the "struggle for supremacy in Asia," and the "scramble for concessions," among the powers, were very keen. At one time, Asia was facing imminent "dismemberment"!

But fortunately, due to the change of the international situation, there has been a change of the policy of the foreign powers towards Asia, particularly, this weak Asiatic Nation —China—from a policy of political and economic aggression to conciliation and friendliness. The restricted tariff which the European powers had imposed on this Asiatic Nation for the past three quarters of a century, is gone. The extrality, enjoyed by some of foreign nationals in this Asiatic nation, is also gone. Concessions, leased territories, etc., which the powers had wrested from this Asiatic Nation have been, in some cases, returned to her. The huge "indemnity" which the victorious powers had imposed on this Asiatic Nation has been returned to her, and has been used for the promotion of education. An international agreement concerning this Asiatic Nation, which binds all the signatories "to respect the sovereignty, the independence, and the territorial and administrative integrity of China" (Artcle 1 of the Nine-Power Treaty) was signed, in 1922. This change together with the timely rise of the "nationallst movement" in China and the coming into power of the National Government, has gratified all those who have the interest, welfare and peace of Asia at heart, and has caused them to conclude that Asia is now saved from her imminent bad fate, and that a strong China is a blessing to the world, and it is the best way to maintain the peace in Asia. So this international agreement further provides "the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government," etc. (Article 1 of the Nine-Power Treaty concerning China).

Militarized Japan, the World's Greatest Devil and Peril

Unfortunately, the rise of another Asiatic Nation—Japan—to the world has put an end of all these hopes! Instead of being "peace-loving people,"—as Asiatic people should be—this Asiatic Nation, after attaining parity with Western powers, becomes at once aggressive, imperialistic and militaristic. Instead of gratify ing the world, the rise of Japan has been the constant cause *of alarm and threat and has worried Asia and the world*. Instead of giving her sympathies to her sister nation—China—which is facing the same condition as Japan was facing after 1856, Japan began at once to conquer her neighbor. In 1895, in attempting to wrest Korea from China, she came into bloody war with her sister Nations—a "civil war" in Asia—a "laughing-stock" in the annals of Asia! In 1905, in attempting to further conquer China, Japan came into armed conflict with Russia, the victim of which was her sister nation—China. In 1915, taking advantage of the fact that the powers were too busy with their life-and-death struggle with Germany, Japan made another attempt to conquer China, and to reduce her to virtually a "protectorate" of Japan by presenting the famous "21-Demands." In 1931, again, taking advantage of the fact that the powers were busy with internal economic problems as a result of the world-wide business depression, Japan invaded and occupied Manchuria. The history of Asia is full of "shame," entirely due to Japanese aggression and militarism!

In doing so, Japan has necessarily to manufacture various grounds to justify her action, such as, the "security," "life-line of Japan," "Pan-Asiatic Doctrine," "Asiatic Monroe Doctrine," etc. which are after all entirely nonsense. In doing so, Japan has destroyed the "balance of power" in the Asia; has revived the "Sino-Japanese war"; the "Russo-Japanese war'; and "American-Japanese conflict," has revived the "naval race" on the Pacific; and has created another "dangerous situation" which threatens not only the peace in Asia, but also the peace in the world!

Japan's Plan of "World Conquest"

Japan tries not to conquer Asia alone but also the world! According to the secret memorial submitted by the arch-jingoist General Tanaka to the Emperor, Japan is to conquer the world. It says:—

> "But in order to conquer China we must first conquer Manchuria and Mongolia. In order to conquer the world, we must first conquer China. If we succeed in conquering China, the rest of the Asiatic countries and the South Sea countries will fear us and surrender to us. Then the world will realize that Eastern Asia is ours and will not dare to violate our rights."
>
> (see *The China Critic*, Oct. 15, 1931).

According to General Honjo's plan of world conquest, "our first step should be to occupy Manchuria and Mongolia of China and make them an independent state of Manchuria and Mongolia. Our second step would require us to make good use of the Chinese Eastern Railway to attack and penetrate Siberia until we occupied Upper Udinsk and forced Russia to cede to us the great plains east of the Lena River and up to the Behring Strait . . . . "

(see *Sin Wan Pao*, Nov. 23, 1931).

*This article by Mr. Meng, well known Nanking correspondent, was written following his perusal of the statements of Hanni Ito which were referred to in *The Review* on Feb. 2 (Page 314) and extensively commented on by other papers in the Far East.

What the Japanese militarists are doing today is exactly what the Japanese militarists planned before! So many keen observers have come to a conclusion that the "second" world war, if it is to happen, must be in Asia, not in Europe. In other words, the rise of an aggressive, imperialistic and militaristic Japan is the "germ" of the whole trouble! Indeed, the aggressive, imperalistic and militaristic Japan is the world greatest devil and peril. In order the save Asia as well as the world, we have to remove the very root of the trouble—the elimination of Japan as a military power.

Japan's Second "21-Demands" to China

Japan is now attempting to conquer China first. So, Japan never likes to see China being united, nor becoming strong. So, whenever there is any prospect for peace in China, Japan loses no time to meddle in Chinese politics. Fearing that the Nanking-Canton rapprochement might result in a national unification of China, Jaan started a fresh offensive on the border of Chahar, and presented a series of demands to Nanking, apparently with the sole object of embarrassing Nanking, so as to cause another rupture in the Nanking-Canton union. After the movements of troops and a demonstration with airplanes--the object of which was to intimidate the Chinese—Japan began the negotiations with the Chinese. This time, though the current report has it that the incident would be regarded as a "local one" and would be settled locally, this was only propaganda, and was by no means true. The Japanese wanted to open the negotiations directly with the Chinese central authorities. This time, Japan would not be satisfied with the settlement of China-Manchuria problems, but would insist on putting Sino-Japanese relations on a normal basis, which means nothing.. During the past few days, Mr.Ariyoshi, the Japanese Minister to China, had a two-hour conference with Wang Ching-wei, President of the Executive Yuan, and concurrently Minister of Foreign Affairs, and had another two-hour conference with General Chiang Kai-Shek—the first of its kind since the outbreak of Japanese aggression in China in 1931. Lieut.-General Suzuki and other Japanese militarists also had another one-and-a-half conference with General Chiang.

After reading over the "terms" offered by Tokyo to China, as reported by the *Reuter* in Tokyo, and also from what is discussed by the *Osaka Mainichi*, these "terms" are nothing but another "21-Demands" to China! As it was before, "in the demands are to be discerned the quintuple poicy of Japan : namely, that of economic expansion, territorial expansion, paramount influence, political control and the Asiatic Monroe Doctrine." (see P. 583. Morse-MacNair—Far Eastern International Relations).

Japan is also pressing hard for a "Defensive Alliance" with China. Mr. Hirota, foreign minister for Japan, is to take a trip to China sometime in the spring of this year for achieving the same object. The Japanese purpose is very obvious—that is, to tie China's hands from joining with other powers—in very much the same way as Japan attempted to kick out the "third party" when Japan presented 21-demands to China, and when Japan opened negotiations with the Chinese over the "Shantung Problem."

Hirota's Speech on "Peace" Discredited

While the Japanese troop movements continue on the Charher border, and the Japanese bombers have been kiling the innocent Chinese daily, Mr. Hirota in Tokyo is still talking about "peace". Of course, no one has any confidence in his words ; everyone knows that the Japanese foreign minister is cheating the whole world by issuing false statements.

Japan's "Hegemony" in Asia, a "Dream" Only

Japan used to say that 600 years ago, China was conquered by the Mongols ; 300 years ago, by the Manchus. Today, China would be conquered by the Japanese! But do they not know that the Chinese had at last driven out these alien rulers and re-established the Chinese kingdom ? To die with the city and to die with the nation has been the fundamental and traditional principle of the Chinese education. The Chinese history is full of accounts of these heroes and martyrs. This principle coupled with the rapid growth of the sense of nationalism is bound to make the Chinese nationa feeling strong than ever before. So Japan might invade and occupy the Chinese territory, but Japan could never conquer whole China. Japan might kill hundreds and thousands of the Chinese, but Japan could not kill the national feeling of the Chinese. China might not put up any resistance at present, but China remembers her "lost territory" by heart. Formerly, the Chinese might not know anything when Formosa and Korea were ceded to Japan, but now every Chinese—even a child—knows the loss of Manchuria to Japan! The determination to take a revenage when the time ripens penetrates into the heart of every Chinese!

Japan used to say that only the "Kuomintang" is anti-Japanese in China. So if Japan could bring about the downfall of the Kuomintang, Japan could easily go on with the conquest. To be short, this is entirely not true. So long as the Japanese do not cease the aggression in China, the 450,000,000 Chinese are anti-Japanese, not any particular group of the Chinese. So we can say that Japan could never conquer China, and Japan is merely "dreaming" to conquer China and to declare her hegemony in Asia!

The Chinese also discuss the Pan-Asiatic Doctrine. But our doctrine is purely the Oriental Wang Doo Doctrine, different from the Japanese occidental militarism ; ours is to save and help the weak Asiatic people, different from the Japanese to rob and kill them ; ours is the principle or nationalism, different from the Japanese policy of political and economic aggression.

Japan's Asiatic Monroe Doctrine Blamed

In a country whose foreign relations are so much complicated, and which are so much dominated by foreign influence, politically and economically, how could it be possible for one country to declare the Monroe Doctrine without having to come into conflict with the other powers ? In doing so, Japan has not only to come into conflict with America and Russia but also with many other powers. Even today, due to the change of the situation, America has practically abandoned her traditional Monroe Doctrine. How could Japan carry out this policy in Asia ?

How to Save Asia—"The Scheme"

After having pointed out the seriousness of the situation due to the Japanese aggression and militarism,—the background of the "New Orientalism Movement"—it is better for me to deal with the scheme. Of course, the best way is through the "awakening" of the Japanese militarists themselves to their past and present blunderous actions towards their sister Nation. So in his answer to K. Tachibana, the correspondent of the *Osaka Mainichi* on the Sino-Japanese situation, General Chiang hit the nail on the head, when he said that, "China and Japan are sister nations in the Far East, and all the relationship one with another should be based on justice and goodwill," and that the fundamental solution to all Sino-Japanese problem is the "observance of mutual respect and confidence." "But", emphasized the General, "the key to the situation is entirely in the hands of Japan!"

In my article on "The Year 1935," I also pointed out that whether the year 1935 would be a critical year ; whether there would be another "world war,"—it is up to Japan themselves to decide.

But "militarized Japan" would never wake up by herself. It is up to me—the savior of Asia—to launch this movement to wake her up. To appeal for justice to the Japanese nation is useless, for the Island Empire is now dominated by the runamuck militarists. To oppose the Japanese aggression by force is not permissible under present economic conditions. To appeal to the world for action is the only way out. It is because in case of a battle between two unequal powers, recourse is always had by resorting to diplomacy. This is particularly possible and feasible in view of the fact that the Japanese final object is not only to conquer China alone, but also the world. Therefore, the present Far Eastern problem is not only the Chinese problem, but also the world problem ; the elimination of "militarized Japan" should not only be the supreme task for the Asiatic people, but also for all the people in the world. So let the whole civilized world rise up to participate in this Movement!

I have written many articles on this subject, such as "Anglo-American Co-operation in the Sino-Japanese Imbroglio," "Why Not Form a Sino-Russo-American Co-operation ?," "Wanted : Anglo-American Co-operation," etc., which were published sometime ago in the *Review* or other journals. I am glad to say that my proposals have the support of many leaders in the world today.

Suggestion Well Supported by Many Leaders

Lloyd George, once British war-time Premier, in a speech at Birmingham, said, "I think that events in that quarter (Far East) are gradually approaching a point where the United States and Britain can no longer safely put off and procastinate." The *Sunday Observer*, in commenting the situation in the Far East, also declared, "Nothing can control the Far Eastern situation nor prevent ominous developments out there but a solid understanding among America, Great Britain and Soviet Russia." The American ambassador to London once also said that "Anglo-American co-operation could settle many of the world problems." Dr. Stuart, President of Yenching University, in his speech, on "Anglo-American Co-operation in Eastern Asia," emphasized that it is the "means of stopping Japan's aggression in China."

Such "co-operation" may take place in many forms, political, economic as well as military. To agree to revise the out-of-date treaties with China, to relinquish extrality in China, particularly at this moment, is one, so as to show to Japan that by losing four of her big provinces, China does not lose its prestige in any way ; on the contrary, China has enlisted the sympathies of the whole world. To finance China to develop her army, navy and air forces is the other, so that, in case of war, China would be ready to answer the call to fight against the aggressor.

"Shanghai Trust Company" Suggested

Economically, I propose to form some sort of international corporation in Shanghai, known as "The Shanghai Trust Company," with a capital of $10,000,000, which has the object of developing Chinese industries, constructing railways, etc. In other words, the "scheme" has the purpose of the development of Sino-foreign trade, to the exclusion of the aggressor ; the cultivation of better understandings among the powers bordering the Pacific ; sympathetic co-operation, common efforts, and joint action, material as well as spiritual, between and among China and foreign powers.

When this "scheme" is being put into effect, it does not necessarily mean that the world will go to war with "militarized Japan." On the contrary, the scheme is practical and would lead to the amicable settlement of the situation, by mobilizing the world public opinion to oppose the aggression ; by showing to the Island Empire that the world sympathy is with

China; by "wakening up" "militarized Japan" to her past and present blunders; by making "militarized Japan" bow down down before the world public opinion and to abide herself to justice. To save China from the Japanese aggression is to save Asia; to save Asia is to save the world!

An Appeal to the World

Such is the purpose of my "New Orientalism Movement"! I am not an eternal youth, nor a finance genius, nor a running-dog of the militarists, but I am a strong peace-lover and ardent supporter of the Doctrine of Brotherhood; I want to see all live and all enjoy, with no one encroaching the rights of the other. My "scheme" is not "an amazing farago of nonsense," but a practical proposal to save Asia. I have no money to spend for advertisement purpose, hence I just write this article, accompanied by a strong appeal to the world to rise up to oppose the militarism from the Island Empire—the world's greatest devil and peril,—and to save Asia as well as the world by one stone hitting two birds at the same time!

Nanking, February 2, 1935.

General Chiang Kai-shek Outlines China's Policy Towards Japan; Important Arrests of Red Leaders

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Gen. Chiang Brands As puerile Idea China Becoming Japanese Protectorate.**
2. **Suzuki Urges Sino-Japanese Understanding and Co-operation.**
3. **Wang Ching-wei Explains views on Sino-Japanese Situation.**
4. **Agreement Reached in Settling Chahar Complications.**
5. **Nanking Envoy to Tibet Arrives at Canton From Lhassa.**
6. **Nanchang Military Headquarters Officially Abolished.**
7. **Four Important Red Leaders Captured by Government Forces.**
8. **Campaign Against Reds in South China Progressing.**
9. **Kwangtung Pushes 3-Year Plan in Heavy Industry.**
10. **Dr. H. H. Kung explains Functions of Monetary Advisory Committee.**

Interviewed regarding the foreign policy of the Government Feb. 2, General Chiang Kai-shek, President of the Military Affairs Commission, said:

"China has always adhered to a policy of sincerity, righteousnes and peace in her foreign relations, with a view to strengthening the bonds of cooperation with any friendly Power and dissipating any cause of enmity.

"Our Government has aways evinced a spirit of earnest sincerity in relations with others and we trust that this is recognized.

"The recent speech of Mr. Hirota, the Japanese Foreign Minister, at the Japanese Imperial Diet, we believe, was also made in a spirit of sincerity, and has been fully comprehended by the Chinese Government and people.

"A portion of the Chinese people, under repeated provocations, were aroused to an anti-Japanese movement, which has however been persistently suppressed by the Government through legitimate means. During the present period while dark clouds are hovering over the international horizon, it is only through manifestation of the principle of equality and a genuine spirit of sincerity that suspicions may be banished and a brighter vista envisaged.

"Friendly and neighbourly relations between China and Japan cannot be restored unless the anti-Japanese sentiments which have prevailed in China and the domineering attitude of Japan are simultaneousy rectified.

"The Chinese people should, in an attitude of openmindedness and in pursuance of the dictates of wisdom and righteousness, refrain from impetuous conduct and anti-Japanese activities, so as to further manifest our sincerity and righteousness. I believe that this attitude will find due response from Japan."

Questioned regarding apprehensions that China may sink to the level of a Japanese Protectorate, General Chiang replied:

"For what have we been devoting our lives to the Revolution and National Salvation? Such fears are too puerile and extraordinary. I believe that no Chinese or Japanese conversant with the actual situation can harbour such absurd thoughts."

With regard to the recent meeting between General Chiang and Akira Ariyoshi, the Japannese Minister, it is pointed out in official quarters in Nanking that this was entirely of a personal and informal character. In the course of the conversation, the Japanese Minister offered some explanations relating to the recent speech of Mr. Hirota in the Japanese Diet, and called attention to anti-Jpaanese activities in some parts of the country. He expreseed the hope that suitable steps will be taken. No other questions were discussed. Rumours that the Japanese are demanding the conclusion of a new Sino-Japanese Pact or Treaty are categorically denied.

SUZUKI URGES SINO-JAPANESE UNDERSTANDING AND COOPERATION

The *Okuyama Service* in its special dispatch from Nanking to the *Asahi* on Feb. 29 reported the interview between General Chiang Kai-shek and Lieut-Gen. Yoshimichi Suzuki, military attache to the Japanese Legation in Ch'na, in the afternoon of the same day as follows:

General Chiang at the outset of the talk thanked his Japanese visitor for the trip he had made from Peiping because of his invitation and expressed regrets that Sino-Japanese relations were not completely removed from an unpleasant condition due to various complicated circumstances. He expressed the hope that through adoption of some means to break up the deadlock a way would be found to mutual understanding for the peace of the East Asiatic situation as a whole. Then, the Chinese leader asked for Lieutenant-General Suzuki's unreserved views on the situation.

The Japanese Army officer expressed his unreserved views as follows:

"From the standpoint of the broad situation, Japan of course recognizes the need for co-operation between Japan and China. But it must be noted that it was the anti-foreign policy of the Kuomintang since the Revolution, especially the policy of resistance against Japan as its chief aim, that gave rise to the Manchurian Incident and naturally led to the all around disharmony between Japan and China.

"There is but one way to adjust this deadlock and that is for China to become awake to the realities in East Asia and fundamentally revise her policy in dealing with Japan. If such is agreeable to China, it will be easy for General Chiang to find means whereby the foregoing condition can be brought about."

Following his interview with General Chiang, Lieutenant-General Suzuki said:

"In the course of my interview with General Chiang Kai-shek I told him the only way to adjust Sino-Japanese relations was immediate control of anti-Japanese action and anti-Japanese education. I also stated that the cause of the Manchurian Incident lay in the anti-Japanee guidance work under the influence of General Chiang. I also explained that the Diet speech delivered by Foreign Minister Hirota constituted Japan's wish for an adjustment of Sino-Japanese relations and that Japan harbored no aggresive intentions whatsoever.

"General Chiang said that he recognized the fundamental principle but as to concrete enforcement he said he would study the matter. He repeated that the important point of solution was mutual compromise.

"At the interview we did not reach the stage where General Chiang was induced to understand our intentions fully. It seems to me that some measures are being taken by a section of Chinese circles indicating that Japan's real

intentions have been recognized to some extent. But with what amount of sincerity General Chiang is planning to strengthen Sino-Japanese relations will have to be examined only in the light of future concrete results."

Akira Ariyoshi, the Japanese Minister to China, exchanged views with Lieutenant-General Suzuki on February 2 regarding the results of their interviews with General Chiang Kai-shek. After re-examining China's attitude toward Japan, they joinlly made an important advice to the Japanese Government. According to their views, China has come to feel the absolute necessity of re-orienting her policy towards Japan due to the latest international situation but as to the practical problem of control of the anti-Japanese movement, full sincerity has not been recognized as yet. The question of honor is apparently interferring with China in this connection.

China's finance is facing a crisis on account of the silver problem and relief must be obtained by means of foreign loans. It cannot be hastily concluded that the recent change of attitude towards Japan is not a means to obtain the desired loan.

GAIMUSHO SPOKESMAN ON SINO-JAPANESE RELATIONS

Sino-Japanese cooperation can only be achieved if and when China abandons her anti-Japanese attitude, a Japanese Foreign Office spokesman said on Jan. 31. "Moreover," the spokesman said, "Japan cannot cooperate with China, if the latter changes her attitude merely to facilitate the solution of her domestic problems, such as the exodus of silver of the anti-Communist campaign. Japan is awaiting China's awakening to the idea of a rapprochement. When that takes place, Japan will extend all assistance in her power to her neighbor."

While Foreign Minister Hirota' Diet speech and his idea for conclusion of a political agreement between Japan and China based on the principle of non-menace and non-aggression have been well received at Shanghai, the *Okuyama Servicec* in a special dispatch to the *Asahi* states that the faction headed by T. V. Soong, former Finance Minister, which has heretofore sought friendship only with the United States and Europe, is beginning to realize the disadvantage of relying only on the friendship with the Western countries against Japan. Recently the faction sounded the possibility of obtaining further loans from the United States and Great Britain and found that none of these two Powers were willing to consider the matter. Moreover, payments to be made to the United States for the cotton and wheat loan are being pressed by the United States despite the fact that the Nanking Government is at the bottom of financial exhaustion.

Under such circumstances the Soong faction had found it inevitable to modify its Japan policy and come nearer the view of Wang Ching-wei and Huang Fu. But as to the concrete measures for the political agreement the Nanking leaders have not decided on any attitude and are worrying about with what concrete issues they should approach Japan.

JAPANESE PRESS REPORTS

Akira Ariyoshi, the Japanese Minister to China, says if it is mutually advantageous, Japan may extend loans to China, states a *Nippon Dempo* report from Shanghai to *Jiji*.

The *Kokumin Service* reports that Mr. Ariyoshi reports to the Foreign Office that General Chiang Kai-shek advocates the principle of Greater Asia based on Sino-Japanese co-operation; the ground is prepared for future negotiations; General Chiang wanted assurances of non-aggression.

Chinese Government may invite Japanese military officers as military adviers or instructors, according to a *Jiji's* special from Shanghai.

A certain Chinese leader tells Japanese official quarters that China under present circumstances cannot but take pro-Japanese policy, states a *Nippon Dempo* report from Shanghai to *Hochi*.

General Chiang Kai-shek may send a special envoy to Japan to co-operate economically with Japan, says a *Nichi Nichi's* special from Nanking.

WANG CHING-WEI EXPLAINS VIEWS ON SINO-JAPANESE RELATIONS

A firm determination that for the purpose of establishing lasting peace in the Far East, he will exert every effort to effect hearty co-operation between China and Japan regardless of any difficulties which might be encountered, was expressed by Wang Ching-wei, President of the Executive Yuan and concurrently acting Foreign Minister, in an exclusive interview with the *Rengo Agency* at Nanking on Jan. 25.

He further expressed the view that Sino-Japanese co-operation will not necessarily preclude the possibility of similar co-operation between China and European and American nations. In view of the economic plight now confronting the Chinese nation, Mr. Wang stated that China is earnestly calling for co-operation with other nations in tiding over her financial difficulties.

In this regard, he said that he was deeply impressed by the Japanese Foreign Minister's speech in the Diet which shows his special regard to China's various problems and his concern about the Red activities in Szechuan Province.

Referring to the Anti-Japanese movements, repeatedly being revived in various parts of China, he explained that the movements are caused by various complicated factors, especially her commercial relations, at the same time giving an assurance that the Chinese Government will exert its utmost efforts to bring the movements strictly under control.

Touching on the reported intention of the Chinese Government to seek a loan from foreign countries, Mr. Wang asserted that although the necessity for a commercial loan may possibly arise in the future, no political loans are being considered at present by officials of the Government.

Concluding his interview, Mr. Wang indicated that the Chinese Government will decide its attitude with regard to the transfer of the Chinese Eastern Railway to Manchukuo, following the final conclusion of the negotiations now going on in Tokyo.

AGREEMENT SAID REACHED ON THREE ISSUES IN NANKING

Agreement to settle the Jehol incident as a local issue was reached at the meeting on Jan. 29 in Nanking between Mr. Ariyoshi and President Wang Ching-wei according to *Rengo* reports received at Tokyo. Other outstanding issues on which agreement is reported to have been reached are the reinstatement of Hirokichi Kishimoto as the Chief Secretary of the Chinese Maritime Customs, and the postponement of enforcement of the foreign pilotage decree for three months.

TERMS OF SETTLEMENT OF CHAHAR AFFAIR

An official communique concerning the Sino-Japanese conference at Tatan was issued by the Peiping Military Council on Feb. 3.

This communique states that the following verbal agreements was reached at the conference.

It was agreed that the Charhar incident occurred because of misunderstanding.

For the purpose of securing an amicable settlement, the Japanese troops will withdraw forthwith to their original defence lines in West Jehol.

The 29th army (General Sung Cheh-yuan's) undertakes not to invade the line formed by Shihtouchentse, Nanshih-chutze and Tungchatze, all of which are east of the Great Wall. The 29th army also undertakes not to enter the area east of this line.

The 37 rifles and 1,500 rounds of ammunition seized by the 29th army from the Jehol militia are to be returned to the militia. The magistrate of Kuyuan was to proceed to Tatan on February 7 for the purpose of handing back these arms.

The Japanese troops, which had gone to Changping on the Chahar border to conduct a series of maneuvers along the Peiping-Suiyuan Railway, returned to Peiping in the morning of Feb. 1, after competion of a three-day period of practice. More than 400 Japanese participated in the maneuvers. The telephone lines between Peiping and Tientsin, which had been cut by the Japanese troops owing to their maneuvers, were repaired in the afternoon of the same day.

POSTAL MONEY ORDER AND PARCEL SERVICES WITH NORTHEAST RESUMED

Following the resumption of mail despatching and delivery service with the Three Eastern Provinces and Jehol, postal money order and parcel services were also resumed with China Proper Feb. 1. These services are also being handled by the Hui Tung Transport Bureaux at Shanhaikwan and Kupehkow. For parcels addressed to places outside Shanhaikwan and Kupehkow, double unit postage is charged, while remittance fees on money orders remain in single unit.

TELEGRAPHIC COMMUNICATIONS ALSO RESTORED

Direct telegraphic communications between China Proper and Manchuria were also restored in the morning of Feb. 5. Restoration of direct telegraph facilities was stipulated in the recent agreement for the restoration of postal facilities that went into effect.

JAPANESE MILITARY OFFICERS TOUR FOOCHOW

About thirty Japanese military officers arrived at Foochow from a trip to Kushan. They were entertained at a dinner party given by Rear-Admiral Li Shih-chia, Garrison Commander of Mamoi. They left for Amoy on Feb. 5.

With Vice-Admiral Gengo Hyakuyake, Commander-in-chief of the Japanese Third Fleet on board, the cruiser Kuma, accompanied by the cruiser Tatsuta and destroyer Yomogi, left Mamoi for Amoy on Feb. 5. The Kuma had been in Foochow since Feb. 1 on her South China cruise.

NANKING ENVOY TO TIBET ARRIVES AT CANTON FROM LHASSA

General Huang Mu-sung, Special Commissioner to Tibet, arrived at Canton Feb. 3 and was warmly received by the local authorities, at whose invitation he delivered an address on the subject of "Frontier Problems." General Huang arrived at Hongkong from Tibet by way of India on the 1st inst. After spending a few days at Canton, he will leave for the Capital to report to the Central Government on his mission.

Direct wireless communication between Lhassa, Capital of Tibet, and the interior parts of China was inaugurated on Feb. 2 following the announcement by the Ministry of Communications that the radio station erected by the Ministry at Lhassa started operation that morning. The station has been opened to public use.

In order to acquaint the Central Authorities with the actual conditions in Sinkiang, General Li Yung, Chairman of the Sinkiang Provincial Government, and General Sheng Shih-tsai, Border Defense Commissioner of Sinkiang, have delegated Kuo Hsi-ping (Gilbert C. Kao), Commissioner of Reconstruction of Sinkiang, to Nanking to submit an official report to the Government. Mr. Kao left Tihua, provincial Capital of Sinkiang, several weeks ago, and is due to arrive at Nanking shortly.

The Mongolian and Tibetan Affairs Committee is planning to build a Hostel in Nanking for Mongolians and Tibetans, at an estimated cost of $200,000. Designs for the construction have been prepared and submitted to the Executive Yuan for approval.

CHINGHAI "LIVING BUDDHA" VISITING NANKING

Hsing-Sa Hutuketu, "Living Buddha" of Chinghai (Kokonor), now visiting Nanking, in an interview, said that antagonism between the Mohammedans and other sections of the people in Chinghai is rapidly disappearing. Under the direction and with the assistance of the Central authorities, he continued, the authorities in Chinghai are making active efforts for the promotion of education in that outlying province. Over 20 schools have already been eestablished.

General Ma Hung-kwei, Chairman of Ninghsia, will arrive at Peiping to call on General Ho Yin-chin, Chairman of the Peiping Branch Military Council, at the end of this month. After a brief stay there, General Ma will proceed to Nanking to report to the Central authorities on the present military and political conditions in his province.

NANCHANG MILITARY HEADQUARTERS OFFICIALLY ABOLISHED

The Nanchang Provisional Headquarters of the President of the Military Affairs Commission was formally abolished Jan. 31 in view of the successful conclusion of the bandit-suppression campaign in the five provinces of Kiangsi, Kwangtung, Fukien, Hunan and Hupeh. The staff members of the Headquarters were given a hearty send-off at the station when they boarded a special train for the Capital.

Matters relating to the economic blockade have been taken over by the Kiangsi Provincial Departmnet of Civil Affairs. A number of inspectors has been despatched by the Department to supervise the institution of economic blockade in areas where scattered outlaws are still in hiding.

GENERAL CHIANG KAI-SHEK RETURNS TO KIANGSI

General Chiang, accompanied by Madame Chiang, left Nanking for Kiukiang on Feb. 2 on boad the gunboat *Hsien Ning* en route to Nanchang, provincial Capital of Kiangsi, to attend to the liquidation of affairs of the Provisional Headquarters of the President of the Military Affairs Commission. After arriving at Kiukiang in the evening of Feb. 3, they proceeded to Kuling the following morning for a rest before returning to Nanchang.

Expressing deep concern over the welfare of the people of Fukien province, General Chiang Kai-shek in a telegram to the Fukien Provincial Government, instructs that during the period while pacification and rehabilitation work is being carried out, the district magistrates should make frequent inspections to see that reforms to get rid of existing evils are promptly carried out. Condemning the common practice of district magistrates limiting their inspection to the cities, the order further urges that the magistrates be required to extend their inspections even to the remotest villages to ascertain the sufferings of the people so that civil affairs may be efficiently administered.

FOUR IMPORTANT RED LEADERS CAPTURED BY GOVERNMENT FORCES

Four important "Red" leaders—Fang Chih-min, Liu Chou-i, Wang Ju-chih and Tang Yang-san—were brought to Nanchang on Feb. 2 in four armoured cars personally escorted by General Chao Kuan-tao, Garrison Commander for the Fukien-Chekiang-Kiangsi-Anhwei border regions, from Shangjao, eastern Kiangsi. Upon arrival there, the prisoners were handed over to the Nanchang Pacification Headquarters for court-martial.

Details of the Government victory over the "Reds" along the Chekiang-Kiangsi-Anhwei border are reported by General Yu Chi-shih, Director of the Chekiang Provincial Peace Preservation Bureau and concurrently Field-Commander of the Bandit-suppression Forces. Following the capture of Liu Chou-si, a bandit army commander, on the morning of Jan. 29th, the message states, Fang Chih-min, Chairman of the so-called South-eastern "Red" Military Affairs Committee, was caught at 7.30 the same morning by units of the 43rd Independent Brigade under Major-General Liu Chen-ching at Nuanshui near Hweiyu Shan (Mountain), north-eatern Kiangsi.

A total of 200 bandit officers and 3,000 outlaws has now been captured. With the capture of the "Red" leaders, extermination of the 200 remnant marauders is a foregone conclusion, Generan Yu reports.

An appeal to General Chiang Kai-shek for the grant of $200,000 to reward the Chekiang-Kiangi-Anhwei Bandit-suppression units for the recent capture of various important "Red" leaders has been made by General Yu Chi-shih. During the campaign against the "Reds," General Chiang Kai-shek had offered $80,000 for the capture alive of Fang Chih-min; $30,000 each for Liu Chou-si and Wang Ju-chih and $60,000 for other bandit officers.

AIR CHIEF EXECUTED FOR TRANSPORTING DOPE

Charged with having transported narcotics in government airplanes, Huang Fei, formerly Commander of the Hunan Aviation Bureau, was executed at Nanchang on Jan. 29. The sentence was carried out on instructions from General Chiang Kai-shek.

More than 600 communist-bandits have been killed and large quantities of arms and ammunitions seized as the result of an encounter between Government troops and a horde of over 3,000 Red remnants under the notorious Yeh Chein-ying at Tsinfeng on the Kwangtung-Kiangsi border on Jan. 28, according to belated reports received at Canton from the front. Among those killed, six were ranking officers. Fifteen machine guns and 520 rifles were also seized by the government troops during the fighting.

An attack on Niuling near Sinfeng, southern Kiangsi, by 3,000 Reds under personal command of Yeh Chien-ying, has been repulsed by the Kwangtung Bandit-suppression forces. The marauders retreated towards Siaoki, leaving behind 600 killed including one regimental commander and five battalion commanders. Several hundred bandits were captured; and 15 machine-guns and 520 rifles seized.

REDS ON KWEICHOW-SZECHWAN BORDER ROUTED

Following the recapture of Jenhuai on the northwestern border of Kweichow, the Central Government troops are advancing towards Kulin, a town on the Szechwan-Kweichow border, about 100 li from Jenhuai, in hot pursuit of the fleeing Reds.

It is reported that the anti-Red campaign is also proceeding apace in northern Szechwan where the major forces of the bandits have retreated to Hatukwan and surrounding districts. General Yang Sheng, a Szechwan military leader, arrived in Shunching Feb. 2 to direct operations against the red marauders there.

Military advices received at Chungking from the front report that the remnant "Reds" in northern Kweichow, now reduced to a few thousands, are fleeing towards Chenlungyo and Yuanpaossu. The 2nd Army Corps of the Government Pursuit Forces under General Hsieh Yo have crossed Erhlangtan (sand bank) after recapturing Jenhwei, north-western Kweichow, and are heading towards the city of Kulin, southern Szechuan, near the Szechuan-Kweichow border.

Saguinary fighting is reported between the Szechuan brigade under Major-General Kuo Hsun-chi and the 4th "Red" division at Tucheng, north-western Kweichow near the Kweichow-Szechuan border, according to reports received at Chungking from the front. The Szechuan brigade finally occupied Tucheng after several severe assaults. The defeated out-laws fled westwards to Mulin, on the Szechuan-Kweichow border.

The combined Szechuan and Kweichow troops have surrounded the main forces of the "Reds" at Tucheng, near the Kweichow-Szechuan border. After a severe engagement, 2,000 rifles and several machine-guns were seized by the combined forces. A "Red" chief-of-staff was made captive and a regimental commander slain at the battle.

Reporting on the defeat of the "Reds" under Hsu Hsiang-chien in northern Szechuan, General Teng Hsi-hou, Field-Commander of the 1st Szechuan Route Army, that pursuant to orders for the joint eradication of the "Reds," he rushed his men to the northern bank of the Pai Ho (River) to clear up the outlaws. Under the personal command of Lieut.-General Yang Hsiu-chun, General Teng's units crossed the Pai Ho on the 1st and captured Tsoumaling, the same day. After concentrating at Tsoumaling, the Szechuan troops resumed their attack on the morning of the 2nd. Howanchang was taken in the afternoon. Large reinforcements of "Reds" were repulsed at Tsengchiachiao in the evening. At Tsengchiachiao, General Teng's units effected junction with the brigade under Major-General Ting Te-lung attached to the 1st Government Division under Lieut.-General Hu Tsung-nan and launched a joint assault against the "Rds" on the left bank of the Kia Ling Kiang (River).

General Liu Hsiang states that 10,000 "Reds" under Chu Te and Mao Tse-tung have been defeated by two Szechuan brigades under Major-Generals Kuo Hsun and Pan Tso at the Tunghuangtien front, along the Szechuan-Kweichow border. Inflicting heavy losses on the marauders, the two brigades gave chase in the direction of Tucheng, on the Kweichow-Szechuan border. The city of Sishui, north-western Kweichow, has been recaptured by the Szechuan troops, 3,000 "Reds" among whom are five regimental and battalion commanders, were killed. The five "Red" armies, now reorganized into three armies, are being enveloped by the Szechuan troops.

The Chungking Provisional Headquarters of the President of the Military Affairs Commission has issued a circular order to the senior Szechuan Commanders enjoining them to remain at their designated posts in order to assume personal responsibility for the operations against the "Reds." For negligence in duty and unnecessary loss of territory and men, severe punishment will be meted out, the order threatens.

KWANGSI LOSES MANY SOLDIERS IN RED FIGHTS

An official statement issued Feb. 2 by the Kwangsi Army Headquarters stated that in the recent fighting between the Communists and the Kwangsi forces, which resulted in the practical elimination of the Red menace from the South, the Government troops lost no less than 2,000 men killed and many more thousands wounded. The losses of the Communists were put down as 5,000 killed and about five times that number wounded. In addition, 12,000 Reds, with 10,000 rifles and 130 machine guns, were captured. Subsequently all the captured Communists were sent to the Hunan-Kwangtung border to be dispersed.

Through the concerted movements of the Government Pursuit Forces under General Hsieh Yo and the Kweichow Provincial Forces under General Wang Chia-lieh, the "Reds" under Chu Te and Mao Tse-tung has sustained several reverses since crossing the Wu Kiang (River). The cities of Meitan, Suiyang, Tsunyi and Tungtzu, all of them situated on the northern bank of the River, have been recovered by the Central Government and Kweichow troops.

SHENSI REDS TRY TO RESCUE LEADER FROM PRISON

Shensi Reds have crossed the Yellow River and attacked the town of Kolanhsien in northwest Shansi, where a prominent Red leader named Yuan is being kept in goal. The police of the town put up a stiff fight, and, after some hours of street warfare in which the director of Public Safety and 10 police were killed, the Reds captured the jail and released Yuan. The police, however, continued their attack on the bandits, and killed Yuan as he was making his escape. Shensi Provincial troops are now rounding up the Reds who retreated from Kolanhsien which they thoroughly looted.

CANTON PUSHES 3-YEAR PLAN IN HEAVY INDUSTRY

The Canton authorities are devoting considerable attention to the major reconstruction projects laid down in the Three-Year Plan for the reconstruction of Kwangtung. These projects include the erection of a big iron and steel works, the installation of a radio telephone system between Shanghai and Canton, the construction of another steel bridge spanning the Pearl River, and the establishment of new air lines.

The sum of Mex. $30,000,000 will be required for the erection of the iron and steel plant, and the authorities are contemplating to raise this huge sum from foreign loans. British and American interests are at present negotiating with the Canton government and all indications point to the eventful successful conclusion of a loan agreement.

The new plant will include a blast furnace of 500 tons, a steel making plant and rolling mills. An official survey reveals that an ample supply of ores, limestone and other raw material will be available from mines within the borders of Kwangtung, showing that from a metallurgical standpoint, the scheme will be entirely practical.

Considerable progress is also expected in the project for radio telephone between Shanghai and Canton. P. H. Spagnoletti, engineer of the China Electric Company is at present in Canton conducting a survey and it is expected that before long work on the installation of the system will be commenced. The service is expected to be inaugurated before the autumn this year.

The construction of another steel bridge, longer than the one completed last year, is considered by the Canton authorities a project that should not be delayed much longer. The bridge is to be constructed at a cost of $3,500,000.

CANTON SENDS NEW MISSION TO U. S.

A Military Mission including three experts attached to the Canton air force left on Feb. 6 for the United States where they will investigate American methods of wireless telephonic communication.

Liang Hung-kwang, acting Magistrate of the model district of Chungshan, Kwangtung, the native place of Dr. Sun Yat-sen, died Jan. 29 at the age of 62.

DR. H. H. KUNG ISSUES STATEMENT ON MONETARY ADVISORY COMMITTEE

Interviewed by *Reuter* in Shanghai, Dr. H. H. Kung said that he had decided, some months ago, to appoint the Monetary Advisory Committee in order to create a regular and institutional body to keep the Minister of Finance in touch with the views of the leading bankers of the country. The Committee, which is newly formed, has as yet made no definite recommendations regarding concrete action to be taken in connection with the present financial situation and no schemes for monetary reform have been worked out.

"Clearly," said Dr. Kung, "the importance of the appointment of this advisory committee has been greatly exaggerated. Even if, at some later date, the committee does tender advice proposing measures for monetary reform, it is quite impossible at this stage to foresee what decision will be made by the Government; any such decision will be influenced by the situation at the time."

Japanese-Constructed Railways and Highways in Manchuria Have Strategic Aim

BY THE REVIEW'S HARBIN CORRESPONDENT

THE Soviet leaders will have probably taken good notice of a recent remark made by General Minami, the newly arrived dictator of Manchuria, to the effect that "should General Blucher attempt any personal adventure the Kwantung Army is prepared for him."

What preparedness on the part of the Kwantung Army can the General have possibly alluded to? The answer seems to be not far off to seek. It is in the fact that, ever since the forcible seizure of Manchuria, the Army has been converting it into a formidable base of operations against the only one possible adversary in this region, the Soviet Army. And the General seems to be quite sincere in that all these preparations have been successfully completed so as to make the Army ready to meet any energency. One of the aspects of converting Manchuria into a huge military base has been the feverish development of communication facilities, a development beyond all peacetime requirements, to the significance of which I have on several occasions had the opportunity to call the attention of the readers of this journal. Of this, no less importance is to be given to the construction of a net-work of highly important motor roads, the military value of which seems to be self-evident.

One has to wonder at the rapidity with which all these roads are being planned and completed. In a brief span of only a year and half (i.e. since March, 1933), the Japanese have laid down a net-work of highways, the total length of which is said, according to official figures, to be over 8,000 kilometers. Yet their plans seem to be far from being complete. A glance over the chart, accompanying this article, and showing the direction of all important roads in Manchuria,built under the guidance of the Staff of the Kwantung Army, will show that all of them have been laid down with one purpose in view—to facilitate the military transportation in time of war, which expressed in other words, means converting the country into a base of operations. In this respect, when General Minami referred to the "preparedness" of his army "to meet a persona adventure" of a Soviet commander, he was quite sincere and to the point.

All these highways center around six important strategic points —Tsitsihar, Sansin, Tunghua, Taonan, Tungliao and Lingyuan (in Jehol), —all situated sufficiently away from the frontiers as to ensure their safety from direct attacks by the enemy, which, at the same time, are so situated as to serve as relay points for all troops and cargoes, that may be poured out by the central artery of the country, the South Manchuria Railway and its feeders. The significance of this fact seems to be all the more striking if we take into consideration the double-tracking of the South Manchuria Railway, recently comlpeted. This fact was quietly celebrated on Semptember 20, 1934, at Tayushu, near Kungchuling, when the last spike, joining the southern and northern sections of a second track, was driven in, completing the work that was going on at a snail's pace for the last 27-half years. However, during the last two years, something has happened which caused the Japanese to resort to their usual speed and compelled them to finish this work without any further procrastination. Being of double track, the railway now works like the tram way in the city; it moves trains to and fro in one endless stream. The shunting of trains, a sight familiar on less developed railways, has been done away with here entirely.

Another significant point with these highways in the fact that they have been constructed, according to official reports, to allow traffic of two kinds—the motor traffic and the cart traffic. For the last purpose, on many occasions, special roads are said to be laid down, running parallel to the principal motor traffic roads, and alloted only to native, heavily laden carts. Anyone who has seen these native, double-wheeled, and heavy built carts, may have observed that they are virtual curses for hardsurfaced motor vehicle roads. In this respect, the Japanese seem to be quite wise and far-sighted, having provided a special path for these native carts.

Northern Roads

In this region, there are two principal highways; (1) Tsitsihar-Heiho road, and (2) Peiyangchen-Heiho road.

The first road starts from Tsitsihar and runs along the Tsitsihar-Noho railroad. From Noho it continues north-ward to Nenkiang (a distance of 92.6 klm.) and thence continues up to Heiho (the total length of it being 330 klm.). This road was laid down by the Chinese authorities and served as a principal means of communication between Heiho and Tsitsihar, therefore it is reasonable to suppose that, probably, it required the least possible improvement on the part of the present administration.

However, the Japanese have the full credit for laying down the second road, the Peiyangchen-Heiho highway. It runs practically along the newly completed railroad of the same name and opened to provisional traffic on December 15, 1934 (cf. my articale in *The Review* for December 22, 1934).

The district lying immediately to the south of Peiyangchen and surrounded from all sides by the Tsitsihar-Keshan, the Hulan Hailun and the Chinese Eastern railways, and known as the Granary of North Manchuria, has several highways of purely economic value. The military importance of both the roads, leading up to Heiho, seems to be self evident and requires no lengthy elucidation. They are intended to serve the region of the Little Hingan Mountains, which form a natural buttress against any invading enemy from the north. Besides, the mountains, being covered by thick forests, have sheltered many bands of anti-Manchukuo volunteers and mere outlaws, whose activities, by a mere fact of opening up this undeveloped region, are hoped to be considerably curbed.

Eastern Roads

That the strategic considerations in laying down these eastern roads have prevailed over all other considerations is evident from the fact that the region to the north and to the east of the Chinese Eastern Railway is the less developed region in the whole of Manchuria and as such has required no urgent necessity for laying down a costly net-work of highways, the present facilities being quite adequate to meet crrrent requirements of the region. Like the region of the Little Hingan Mountains, this district is noted for its hilly character, because of which it has served as a shelter for innumerable anti-Manchukuo partisans, who continuously attack the "government" troops and its establishments. Therefore, the laying down of strategic highways in this region serves the dual purpose of the opening up the country and aiding the anti-"bandit" operations of the Japanese-Manchukuo troops. Again, these highways bring the strategically important regions of the Lower Sungari, Hulin, Mishan and Tungning into a general net-work of Manchurian communications, which fact, in case of external war, will have far-reaching consequences.

In this region, the following highways have been laid down and are now in full operation:—

(1) Harbin-Fuchin-Tungkiang road (636 klm.). running from Harbin along the entire length of the Sungari River till it reaches Tungkiang, at the confluence of the Sungari with the Amur. Its importance seems to be far less in warm seasons, when, with the opening of navigation along the river, the traffic along this highway seems to be less preferable. Strictly speaking, it is open to question whether the road is so developed as to permit the untinterrupted traffic in rainy seasons.

(2) Sansin-Boli road (100 klm.). It spurts from Sansin (ılan) on the Sungari in the south-easterly direction and penetrates into a wild district of rolling hills and tangled woods. The survey of the road was started in March, 1933; now it is open to traffic. At present, the road is being extended to Mishan, a distance of 355 klm. from Sansin, and will eventually reach Hulin, on the Ussuri River.

It is pertinent to say a few words in this connection regarding the proposed Lingkow-Mishan Railway, the building of which was entrusted, judging by press reports (cf. *The M. D. News* for December 3, 1934), by the puppet Government to the South Manchuria Railway. It is to start from the Mutankiang River due east, and, after winding through hills and forests for a distance of 183 klm., will reach Mishan, its projected terminus. The region is reported to be rich in coal and other mineral deposits, so that the railroad seems to be worth building; but it is amazing that it is to be built ahead of a trunk line, connecting the Mutankiang station of the C.E.R. with Sansin on the Sungari River. Why is this haste?

(3) The Great Eastern Frontier Highway. It is 688 klm. long, and begins at Hungchun, near the Soviet-Korean frontier; thence it runs almost parallel to the Manchurian-Soviet border, reaching Hulin, in the north. It has two distinct sections; (1) the Hungchun-Tungning-Suifenho section, 297.1 klm. long (cf. *Kokutsu* message of Nov. 11, 1934), and (2) the Mulin-Mishan-Hulin section (391 klm. long).

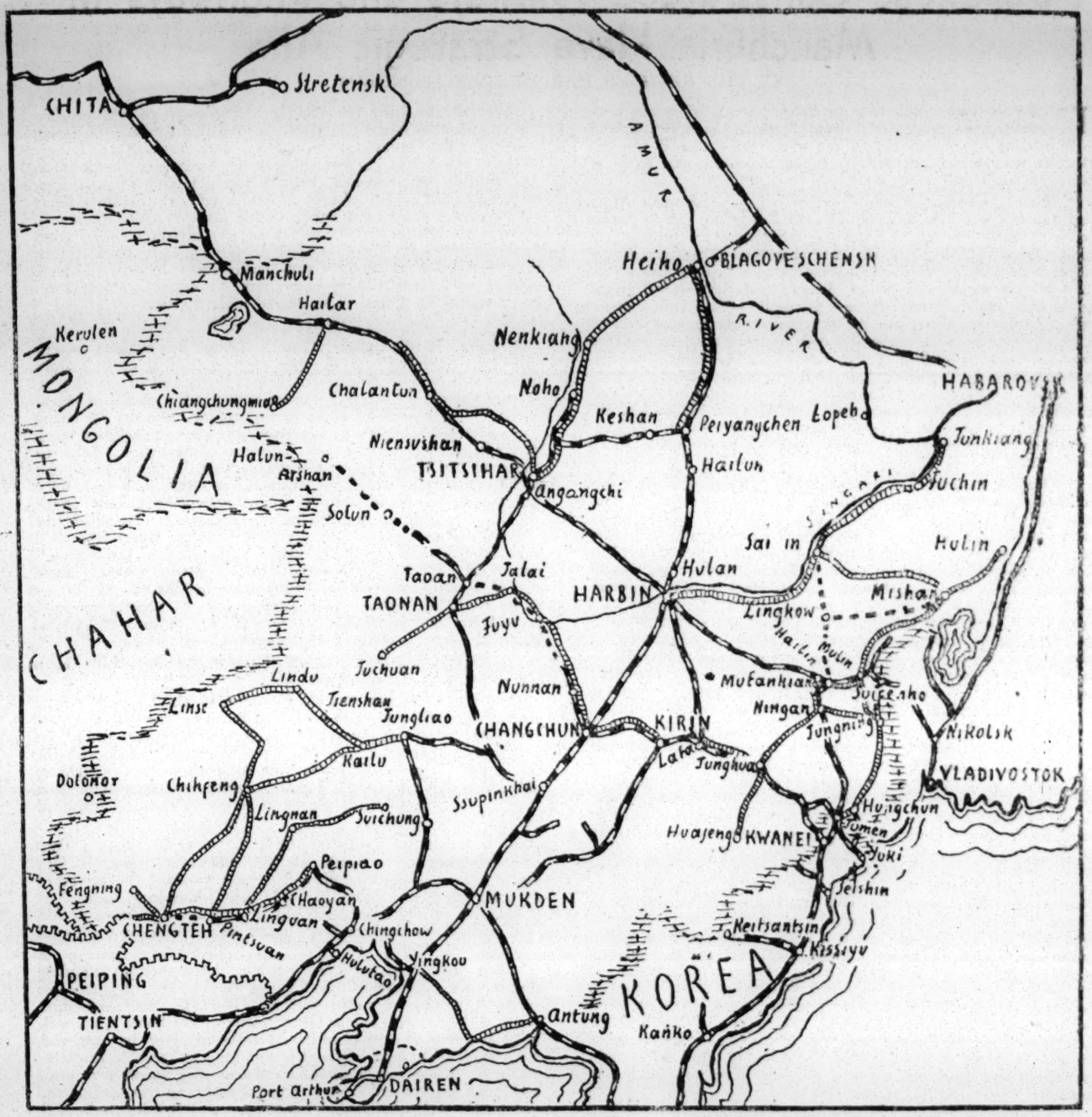
With the newly built Tumen-Ningan Railway, lying to the west, this trunk highway is connected by: (1) the Hungchun-Tumen highway and the Hungchun-Korean Railroad, 24 klm. long, both linking it with the Korean communication system; (2) the Tungning-Ningan highway, and (3) the Tungning-Mulin Highway (170 klm.).

Further to the west lies Tunghua, on the Kirin-Kwanei Railway, an important highway center. It is the center of the following roads: (1) Tunghua-Hsiang road, via Tapingkou (94 klm. long); (2) Tunghua-Pingchiang road, via Tienchangzu and Pataochiang (139 klm.); (3) Tunghua-Huajeng road (110 klm.), and (4) Tunghua-Ningan-Hailin road (230 klm.), which connects Tunghua with the C.E.R. in the north.

Western Roads

A great trunk railway line is being built in this region, which will eventually bring the vast stretches of Mongolian lands into an easy reach from South Manchurian and North Korean ports.

MAP SHOWING JAPANESE-CONSTRUCTED MANCHURIA RAILWAYS AND HIGHWAYS



—Drawn by the Review's Harbin Correspondent

This map shows the development of communication facilities in Manchuria, especially railways and highways, along the frontiers, demonstrating that strategic considerations have prevailed over other motives.

When completed, it will practically run parallel to the entire length of the Chinese Eastern Railway, beginning at Solun, Inner Mongolia, and terminating at Tumen and Kwanei, on the Korean border. At present, two sections of this railway are completed and open to traffic: (1) the Changchun-Nunnan-Nengorlos section (212 klm.), and (2) the Taoan-Wangyehmiao section (built by the Chinese authorities). The work on the incompleted section, namely, from Nengorios to Taoan via Fuyu, Talai and Ankwang, is being pressed on day and night.

According to the present plans, the Taoan-Solun section of this railroad is to be extended still further to the west, reaching Halun-Arshan, the famous hot-springs (240 klm. from Taoan). The road will possibly be extended still further, ultimately reaching Hailar, on the C.E.R. Briefly speaking, the importance of this section is two fold: (1) it will facilitate the colonization of the vast Mongolian lands, now devoid of any population, if not to mention some Mongolian *yurts*, scattered here and there; (2) it will greatly assist in the defending of this part of the country from an invading enemy, because, owing to the proximity of the Outer Mongolian frontier, this section of the Great Hingan Mountains is exposed to the flanking attack by the enemy forces.

Of highways in this part of the country, the following are now in operation:—

(1) The great Western Frontier Highway. It runs practically along the above-named trunk-line railway, that is, from Changchun to Fuyu, Talai, and thence to Taonan, its entire length being about 760 klm.

(2) Angangchi-Palin highway, which runs from the junction of the Taonan-Tsitsihar Railway with the C.E.R. northward to Tsitsihar. Upon reaching it, it spurts west-ward and reaches Chalantun, on the C.E.R., and terminates at Palin (225 klm.).

(3) Hailar-Chiangchungmiao highway (179 klm.), running along the western slope of the Hingan Mountains and connecting Hailar with Chiangchungmiao, the seat of the annual Mongolian fair.

(4) Taonan-Tuchuan highway (110 klm.).

(5) Taonan-Fusang highway, via Talai (230 klm.), opened on December 12, 1934.

Besides these roads, the Japanese are laying down, according to official *Kokutsu* message from Mukden, dated August 12, 1934, the highways from Tailai to Suekunfu (to the nouth of Solun),

from Tailai to Hsinpaerhu, from Tailai to Nienstushan via Chinghsing, and from Tailai to Chengtung.

Southern Roads

Great strides have also been made in the development of communication systems in the southernmost province of Manchuria, Jehol. Like in other parts of the country, here, the highways also serve the purpose of supplementing the principal railroad in the province, the Chingchow-Peipiao-Chengeth Railway, which is nearly complete (at this writing, there remains only a short distance of 70 klm. between Pintsuan and Chengteh, the capital of Jehol, the work on which is proceeding days and night).

In this province, the following highways have been laid down and are now in full operation:—

(1) The Great Northern Highway of Jehol, connecting Tungliao with Kailu, Tienshan, Lindu and Linsi (566 klm.).

(2) The Great Middle Highway of Jehol, connecting Kailu with Chihfeng (290 klm.) and Jehol (265 klm.), altogether 555 klm. long.

(3) The Great Southern Highway of Jehol, which runs practically along the Peipiao-Chengteh Railway (310 klm.).

All these three trunk highways are connected with each other by the Linsi-Chihfeng highway (143 klm.) and the Chihfeng-Pintsuan highway (190 klm.).

Besides these highways, there are in operation:—

(1) Linguan-Lingnan-Suichung highway (188 klm.).

(2) Chengteh-Gengning highway (50 klm.), to be extended to Dolonor in Chahar Province.

(3) Jehol—Kuipeikou highway.

Referring to the total length of all the highways, built by the "Manchukuo" Bureau of Highways (headed by Mr. Fujine, the director), a *Kokutsu* message from Changchun, dated December 15, 1934, stated that it was equal to 8, 592 kilometers. On September 1, 1934, all these highways had 129 passenger buses and 107 motor trucks operating, besides five inspection cars. The buses and trucks are being turned out by a motor car assembly plant attached to the Mukden Arsenal of Marshal Chang Hsueh-liang. In conclusion, I must state that the interior highways, having purely economic value, are not included in this account.

Harbin, January 24, 1935.

International Telegraphic Agreement Now Under Consideration

In a recent interview at Nanking Fu Ping-chang, chairman of the Foreign Affairs Committee of the Legislative Yuan, stated that the text of the International Telegraphic Agreement is now under consideration. He said that on the whole, the articles of the Agreement are quite fair and in line with China's desire to develop her telegraphic service. However, Mr. Fu continued, an error had been made in the Agreement in that it takes in the Kuantung Leased Territory (including Dairen and Port Arthur) as a signatory unit, as this leased territory shall be rendered back to China upon expiration of the lease.

Ministry of Railways to Purchase Chang-Tien Poshan Light Railway

According to Chang Hung-lieh Provincial Commissioner of Reconstruction for Shantung, the purchase of the private-owned Changtien-Poshan Light Railway in Shantung by the Ministry of Railways, awaits the final decision of Minister Ku Meng-yu. General terms have been agreed upon, he added; only the question of procedure remains to be settled.

Sian-Lanchow Highway to Be Completed During This Year

The construction of the Sian-Lanchow Highway is expected to be completed before the end of this year, according to Liu Ju-sung, Chief Engineer of the Highway Administration. The total expense for the construction, estimated at $790,000, will be appropriated by the National Economic Council upon approval of T. V. Soong, member of the Standing Committee.

New Branch Line on Lunghai Railway Completed

Construction work on the branch line of the Lung-Hai Railway between Taierchwang and Chaochwang, along the Shantung-Kiangsu border, is now complete l and train service will be operated shortly. Four stations will be established at Chaotun, Suyangshan, Chufushan and Taierchwang. The line is 31 kilometers long and is to be used largely for the transportation of coal.

Chekiang to Aid Labor by Reconstruction Work

Large scale engineering work for labor relief will shortly be started in Chekiang province, it is learnt at the Provincial Department of Reconstruction. A sum of $1,000,000 from the $20 millions Provincial Reconstruction Loan has been earmarked for the promotion of conservancy work in the province. In order to utilize refugee-labour for the work, the Provincial Government has decided to remit $150,000 for the dredging and reconditioning of ponds, rivers and other waterways, for which 6,500 refugees will be employed. Out of the $600,000 already decided upon for highway reconstruction, a sum of $100,000 will shortly be allotted to build the projected Hangchow-Shanlien, Kashing-Huchow and Hangyu- Siaofeng Highways, in northern Chekiang. Surveys have been started; 20,000 refugees will be utilized for this work.

League of Nations Experts Return from Yellow River Inspection Tour

After spending 50 days in the North and North-west inspecting the Yellow River, Yungting River (Hopei), Min Sheng Irrigation Canal, the Great Bend of the Yellow River (Suiyuan), and the Weihui, Lohui and Chinghui Irrigation Canals in northern Shensi, Messrs. Omodeo and Nijhoff, conservancy experts from the League of Nations, returned to Nanking Feb 3. It is understood that after seeing Robert Haas, the new liaison officer for technical cooperation between China and the League, the League experts will proceed to inspect the Yangtsze River, the Poyang Hu (Lake), the Huai Ho (River) and other waterways in Central China. M. Omodeo called on Lee Yi-chi, Chairman of the Yellow River Conservancy Commission at Loyang, Honan, during the week, and conferred with him concerning the drafting of a report on his recent inspections of water conservancy work.

T. V. Soong Receives Robert Haas

Robert Haas, the League of Nations' liaison officer to China, who arrived at Shanghai from Europe last week, was received by T. V. Soong, leading member of the Standing Committee of the National Economic Council, Feb. 1 and had an hour's conversation with Mr. Soong in connection with the question of furthering the League's technical co-operation with China.

Nanking-Shanghai Railway Meets Obligations

A sum of £10,000-/-, equivalent to Shanghai $140,659.34 at the rate of 1/5 1/16, and representing the January instalment of refund of an advance to the Nanking-Shanghai Railway by the British-Chinese Corporation in London for the purchase of locomotives, was remitted to London through the Hongkong & Shanghai Banking Corporation Feb. 1.

Further Bank Failures in Canton

Three Chinese native banks went into bankruptcy at Canton Jan. 29. Each of the three banks left behind an outstanding obligation of over $200,000 to be liquidated.

$3,000,000 for Sleepers and Locomotives for Hunan-Hupeh Railway

The Ministry of Railways last week approved an application from the Hunan-Hupeh Railway Administration for an appropriation of $3,000,000 for the replacing of sleepers, rebuilding of locomotives and other necessary repairs for the railway.

Chinese Ask Annam Not to Increase Import Duty

With regard to the proposed increase of the import duty on tea by the French authorities in Annam, it is learnt that Chinese merchants in Annam, in a petition to the Ministry of Foreign Affairs, request that a protest be lodged in order that China's export trade may not suffer. It is reported that the Ministry of Foreign Affairs has despatched a note to M. Wilden, the French Minister, requesting that while negotiations are in progress regarding the Sino-French Commercial Treaty re-Annam, no increase in duties on Chinese products should be allowed.

Chinese Cotton Production Shows Increase

The production of Chinese cotton for last year amounted to approximately 11,172,553 piculs, an increase of about 10% over that of the previous year. The annual consumption of Chinese cotton for the same year also showed an increase.

New Method of Extracting Soya Bean Oil

A new method of extracting oil from soya bean has been discovered by the Central Industrial Experimental Institute under the Ministry of Industry. By use of the old method, only nine catties of oil could be obtained from 100 catties of beans. With the new method, from 12 to 15 catties of oil may be extracted.

Highway Commission Favors Charcoal-Driven Omnibuses

The Highway Communications Commission for the three provinces of Kiangsu, Chekiang and Anhwei and the Municipalities of Nanking and Greater Shanghai held a meeting at the premises of the Chekiang Provincial Department of Reconstruction in Hangchow, Jan. 31. Chao Tsu-kang, Deputy-Director of the Highway Bureau of the National Economic Council and member of the Standing Committee of the Commission, presided. It was decided that the use of the charcoal-gas engine for omnibus service, and the production and transportation of charcoal, should be encouraged. The Provincial and Municipal highway authorities will be instructed to purchase two cars diven by charcoal-gas engines for trial on their highways.

Forty Qualify in Special Motor Engineering Class

Results were announced at Nanking Jan. 30 of the entrance examinations for the special motor engineering class, jointly organized by the Highway Bureau of the National Economic Council and thee Highway Communications Promotion Committee for the three provinces of Kiangsu, Chekiang and Anhwei and the Municipalities of Nanking and Greater Shanghai. The examinations were held recently in Nanking, Shanghai, Chinkiang, Hangchow, Foochow and Anking. 40 candidates qualified; 20 others are placed on the reserve list.

The Crisis of Local Chinese Real Estate Holders

BY PAUL K. WHANG (汪仲芳)

IT seems to be a sort of poetic justice that many of the local Chinese real estate men who reaped huge profits by speculating on land values a few years ago now find themselves at the end of the rope. Recently it has been made known to the public that two "Big Shots" in the real estate line whose holdings are reputed to be worth more than $25,000,000 and $10,000,000 respectively, have become bankrupt. As their business activities and connections are various and extensive, their bankruptcy has caused a great confusion to the local money market, which, to all intents and purposes, has already been faced with an unprecedented crisis as a result of the acute business depression and the lack of a definite monetary policy on the part of the Central Government.

That many of the real estate holders should go bankrupt should occasion us no surprise, as it has been long anticipated. It may be recalled that prior to the advent of the present world-wide business depression, speculation on land values in Shanghai was considered as the short-cut to fortune. Men with little capital of their own could buy several times that worth of landed properties by way of mortgaging their holdings to the bankers. The bankers, on the other hand, looked upon landed properties situated in the International Settlement and the French Concession as first-class securities, and were prepared to grant loans amounting to 70% or even 80% of the value of mortgaged properties. The ease of procuring money facilitated the real estate men to conduct speculative deals on a very large scale.

To make their speculative deals profitable, they had to make returns on their investments yielding interest of more than 10%, so that they could have something left after meeting the insurance, maintenance expenses, and, last but not least, high interest charges on the mortgages,—which ranged generally from 8% to 10% per annum. To this end, they had no alternative but to shift the burden to the unfortunate tenants, who were forced to pay more and more in the form of rents during the years prior to the Shanghai "War" in January, 1932. Because of the manipulation of land and the boosting up of house rents by those speculators, the land values in Shanghai's foreign administered area have been very much over-inflated. Thus the assessed value of property in the International Settlement has more than doubled within the past decade and has shown a 1,000 per cent increase within the life-time of many local residents.

Profits Expected from Inflated Values

But what they are primarily interested in is not the annual returns from the landed properties in the form of rents, but the profits they can realize from the disposal of their holdings. Just as in the case of speculating in government bonds and gold bars, they have held the properties in anticipation of a rise in land values. Therefore they try to manipulate the real estate market and use artificial means to inflate the land values. When general business conditions are on an upward trend, this kind of operation can be conducted with success; but once the depression sets in, everything goes awry.

Up to the advent of the present depression, the real estate speculators seemed to have a smooth sea to sail. The fact that Shanghai was said to be a land of safety amidst the whirlpool of political storms was especially exploited to achieve their ends. During the good old days big land transactions were the order of the day, and a piece of good property often changed hands as many as three or four times within one month with an increase in its price at each transaction. But such good days could not last forever, as predicted by many of our far-sighted people, hence the present collapse.

Business depression is now sweeping all over the world, and Shanghai in common with many other metropolises, has felt its acute pinch. Industrial and commercial establishments have been closed down in wholesale fashion, and thousands of people have been thrown out of employment. Nanking Road, the Great White Way of Shanghai, has lost its former glamor, and many premises along this busy thoroughfare have been either left vacant with "To Let" signs or closed down with notices of liquidation. Tenants all over the city can no longer keep up the monthly payments of their rents regularly, and ask for reductions. We have been told that not more than ten shops along the Nanking Road are now operating with profit, while most of them have their rents in arrear as much as six or nine months.

As a result of the non-collectibility and reduction of rents and the increase in the number of unoccupied premises, the returns on investments to real estate holders become insufficient to pay the insurance, maintenance expenses and interest charges on the mortgages, which remain the same. The actual land values fall drastically, although the land, holders have tried vainly to keep up nominal values. The bankers who have advanced money against properties up to 70% or 80% of the value of the mortgages find the margin not sufficient to cover the reduced values, and naturally they have to call for more margin money. Moreover, when the money market is so tight, land transactions are practically reduced to nil. In this circumstance, the big real estate holders have no other escape except through the expedient of bandruptcy.

In speaking of land values and rents in Shanghai, we have been frequently assured by the real estate men that they are not at an artficial high level, and that other cities of the world, with smaller populations, have land values considerably higher. A table of land values in 24 large cities of the world, compiled by the Asia Realty Company, an American concern, lists Shanghai as the fifth city in the world on a basis of population but twenty-second by value of land. We have been further told that over the past five years, Shanghai land values rose by 54 per cent as compared with 83 per cent in Bombay, 67 per cent in Marseilles, 50 per cent in Cape Town and 30 per cent and more in several other cities.

Working for the Landlords

While we are not devoid of civic pride to wish for the rapid growth of this cosmopolitan city, we, nevertheless, believe that the land values in a city can not be measured by the number of its population only. True, Shanghai has become the most important commercial and financial center of this country, but its population, it must be said, is principally of Chinese, whose living standard, generally speaking, is still very low. For years, the rapid rise in house rent has become a subject of complaints among the local tenants. It is no exaggeration to say that a great majority of the people have been working hard for their Chinese and foreign landlords, inasmuch as house rent constitutes the heaviest item in their personal budgets.

The average earning of an office worker in this city is less than one hundred dollars, but a small house to accommodate a family of four people can not be secured below the monthly rental of sixty dollars. In recent years, terraces after terraces of new Chinese houses have been built up, but their rents are too high to be within the reach of the earning power of the average office workers, whose families are still crowded in small and old Chinese houses. It often happens that five or six families are living in the same house of four or five rooms.

We have been told that during the past five years, Shanghai land values rose 54 per cent; but if we take into consideration the local business conditions of the same period, we must take issue with those real estate men who have claimed that Shanghai land values are not at all overinflated. It sounds rather unbelievable that land values can increase by leaps and bounds, while industry and commerce have degenerated into a state of bankruptcy. How can we account for this rapid rise in land values if it is not artificially stimulated by speculators?

The real estate speculators, for the reasons stated above, have applied their efforts to boosting up the land values. The Municipal authorities have also been interested in seeing the increase in land values, for the municipal rates are assessed on the basis of land values and house rents. The bankers who have advanced money against landed properties are also anxious to see the rapid rise in land values, so that the interest and principal payments on their loans will not be defaulted. Thus through their combined efforts, the land values in Shanghai have been very much over-inflated, in spite of the low living standard of the people and business depression.

The collapse of the big real estate holders may have a good influence upon the future of the local real estate market, and may also teach a good lesson to those land speculators who have believed that they can manipulate the land and use artificial means to inflate values for their personal gain. It is to be hoped that after the present blow, those who are interested in landed properties will look upon the matter from the standpoint of an investor and not from that of a speculator, and that Shanghai land values will rise in proportion to the improvement of living standard of its people and the growth of its commerce and industry.

Shanghai, February 1, 1935.

The Agricultural Crisis of Japan Is Hard to Overcome

BY THE REVIEW'S TOKYO CORRESPONDENT

(Translations from various Japanese publications)

THE miserable condition of the farmers in consequence of the bad crops in the six North Eastern provinces of Japan was reported widely during the latter half of 1934. Practically every member of the state contributed something toward the relief fund, while pitiful news of starving soiltillers has been daily spread all over the country. Since an outline of the great famine must have been published in overseas publications, the scribe saves the trouble of dealing with the question. From its nature the rural destitution is regarded as far more serious to the welfare of the country than the typhoon disaster in Osaka.

The stricken area is not limited to the North Eastern district although the degree of the damage done to the crop is by no means the same in all places. Again, the famine is not limited to the above-mentioned period because, as is reliably reported, the six provinces have long been hard pressed. Furthermore, the agrarians' difficulties comes not only from the bad crops of rice, wheat and vegetables, but also from the low prices of silk and cocoons. Being thus mercilessly attacked from all directions the agrarians will not be saved in a simple way, and this is the consensus opinion of the government and the people.

It is a pity that those who hold the reins of government have not yet formed a fundamental remedial policy. Just listen to Mr. Shishido's comment in the *Yomiuri* (Feb. 26, evening edition) on the Diet speeches of Ministers: "Finance Minister Takahashi stated that the Government's relief measures are criticized as having failed to bring about a proper result, but that he has not yet heard of a man who has died from destitution. Following him the Agricultural Minister stood up and stated that the "town-first" policy has caused neglect of the farming villages. These two remarks, though very brief, suggest that as long as the present "town-first" policy exists farmers will find themselves between life and death.

Takahashi's Policy Will Contribute Nothing

Hogara Nagano (長野郎)—*Keizai Orai, February:* Finance Minister Takahashi is a protector of banks. He believes the healthy growth of banking facilities means the healthy development of the State. At the Diet session in spring of last year he cried, "If we save the farmers, banks would be neglected. I really, don't know what to do with farmers. What a nuisance they are!" In these few words the bottom of his heart is well represented. His bank-first policy naturally contradicts the relief measures of farmers, he expects their self-rehabilitation . . . . Instead of ascribing the straitened condition of agrarians to the existing structure, political and otherwise, he brings it to the door of what he calls luxurious life of farmers. Can the agrarians, who, while being tormented by debt, have to sustain life with wild grass and twigs of trees, rehabilitate themselves by thrift and industry? Their increased inability of paying land tax and ever-accumulating debt show how they are hard pressed . . The destitute condition of the rural community originated not from the luxurious life of farmers as the Finance Minister says but from the heavy pressure of financial, commercial and industrial capitalism and bureaucratic administration . . . . Having no understanding and sympathy with farmers Takahashi will say things having an unfavorable effect upon farmers in the execution of his pet policy. It is doubtful whether the Takahashi policy, especially at this time when farmers are being awakened, can be carried out effectively.

Agrarians Should Be Saved as Agrarians

Seibi Hijikata (土方成美)—*Keizai Orai, February:* (It is generally feared that the Government's emergency relief measures of giving farmers jobs other than soil-tilling may aggravate the situation in the end—Editor.) A number of plans for the rehabilitation of farming villages have been formulated but the relief work cannot be effected by the execution of one single plan. The present farming villages of the country have a long history of its formation and herein lies the difficulty of rehabilitation. Whatever the relief plan may be, it should be such that will save farmers as farmers; the basic condition of the relief work is in enabling agrarians to sustain existence by means of growing produce. For the realization of this basic condition, the first step to be taken is in the decrease of local taxes, and in this case it is unavoidable that part of the burden of the farmers be transferred to the shoulders of the townsmen.

State Ownership of Land Is the Only Means

Manzo Kushida (櫛田萬藏)—*Chuo Koron, February:* Though partially the agricultural management of Japan is growing capitalistic, the general type is household labor. Naturally, the agrarians are not used to tasks other than farming. The acute depression, however, compels them to become traders or industrialists and all farmers who have been involved in such an unfamiliar jobs gradually lose land. And having lost land they have willy-nilly secure a job as a factory laborers, but the fact that the manufacturing industry in Japan is mostly light industry and that the industry of the country has recently been highly mechanized, leave them out of work . . . . The only means to solve the agrarian problem in Japan is the nationalization of land through the union of farmers and laborers.

A Glaring Contradiction

Hitoshi Yamakawa (山川均)—*Kazo, February:* The excess of rice supply at home has made it unavoidable to cancel the plan of increasing production of Chosen rice, to study means of the prevention of the inflow of Chosen and Taiwan rice, or even to reclaim the ricefields for the purpose of decreasing the crop. In the face of this serious attempt at preventing the overproduction and accumulation of rice, in the remote country places farmers are devoting themselves to finding means of harvesting more rice. This is a most conspicuous case of contradiction . . . . Under the existing condition, the only way for agrarians in the remote mountainous places is to resign themselves from being soil-tillers—that is to say to become something other than farmers. But in the event of their quitting cultivation, they have to find other means of sustenance. It is a pity that the existing economic system of the country is pitifully powerless on this point. Even, as is now attempted as an emergency means, if the agrarians who have resigned themselves from growing produce are given jobs such as manual works or road reparing, they can not be saved. If the farmers are forced to continue earning their livelihood from such sources it is a case of keeping them in the state of eternal famine.

Revision of Agricultural Administration System

Kamekichi Takahashi (高橋龜吉)—*Bungei Shunju, January:* The farming villages in Japan have gone so far that no relief fund could relieve them from their financial difficulties. A fundamental revision of the agricultural system is the only effective means to attain the object; it is not a question of money, but the system.

Shoji Higashiura (浦東庄治)—*Ishin, December:* The present agricultural policy of the country lacks proper execution and finds itself in a labyrinth. This tangled situation comes largely from the gap existing between the agricultural policy and the administrative system of the country . . . . Japan is the country of buraucracy unparalleled in the world. The administrative policy of Japan is executed by the system 100 per cent bureaucracy. Being ever bent on self-preservation, the bureaucrats have the tendency to attempt executing new policies through their old administrative system. In this way the agricultural policy of the country is generally inefficient or unexecuted. The extremely tangled condition of Japan's agricultural policy is, to no meagre extent, due to the gap existing between the new policy and the old administrative system. This is why we raise cries for a thoroughgoing revision of the system of the old agricultural administration.

Tatsukichi Minobe (美濃部達吉)—*Tokyo Imp. U. Shimbun; February 21:* The local administrative system of the country is nearly half a century old. No wonder that it is not adapted to the existing conditions, agricultural and otherwise. A wholesale revision of the system is indispensable.

Ever-Increasing Debt Sucks Blood of Farmers

Yoshijiro Shimizu (清水芳次郎)—*Ishin, December:* The gravest question that covers the farming districts of the country is probably that of debt. All, from landowners down to peasants, are comp'etely discouraged at the increasing debt, their mental agony even depriving them of their peaceful slumber . . . . The national debt totals Yen 7,100,000,000, but it is nothing when compared with the obligation of the agrarians which comes up to Yen 5,000,000,000 throughout the country. Farmers are so much concerned about the ever-increasing debt that they would be willing to do anything if only they could get free from the care for payment of debt. Generally the land is offered as mortgage. At first, they find it not hard to pay the interest, but it soon bounds up as compound interest. It is mostly through such a course that the farmers have come to be up to their ears in debt. If their debts should be straightened up now, no arable land would be left in the possession

of farmers, for all the cultivated areas of the country would then pass into the hands of financing facilities.

High Price of Rice Distresses Peasants

Motojiro Sugiyama (杉山元治郎)—*Ishin, December:* Mr. Suzuki, President of the Suiyukai Party, stressed that the basic policy for rehabilitating the rural community is in raising the price of rice. This contention of the President is wrong. In some quarters they believe the policy of raising the price of rice is the only effective means to lessen difficulties of farmers, but they are greatly mistaken. In a country like Japan where a feudal tenant system still prevails, supposing a farming household which crops 20 "koku" of rice, gives away 10 "koku" as rent, and consumes 8 "koku," only 3 "koku" is turned into cash. In this case the family will get only 3 yen more if there is one yen per "koku" appreciation in the price, whereas the prices of daily necessities are advanced in consequence. Besides, nearly half of the agrarians of the country have not a grain of rice to dispose of, and they are embarrassed by the rise in prices of daily necessities, instead of being benefited by the rise in price of rice. It is no other than well-to-do landowners who receive the benefit. Difficulty lies also in this point.

Why the "Japan Chronicle" Is Frequently Suppressed

(*From the Teito Nichi Nichi, January 28*)

The English-language newspaper in Kobe, the *Japan Chronicle* has from time to time been suppressed because of the circulation of news undesirable from the standpoint of Japan's national policy. Last year the paper was suppressed at an *average rate of twice a month.* On January 13 the paper again was subjected to the suppression measure when the *Chronicle* violated an official censorship order concerning the Manchurian problems. Mr. Young, proprietor of the *Chronicle*, then made a complaint to Mamoru Shigemitsu, Vice-Minister of Foreign Affairs, through the British Embassy, stating that the censorship over the *Chronicle* by the Japanese Home Office is too unjust and too strict. The complaiut was a sort of protest.

Mr. Shigemitsu expressed the following view, turning down the protest definitely: "The censorship of the Home Office is very just and fair and is by no means discriminatory. It is quite natural that the press should be definitely controlled from the standpoint of maintenance of friendship between Japan and Great British, if the press attempts to injure Anglo-Japanese friendship on purpose. The British Embassy should take the initiative in controlling *the Chronicle*. The charge of Japan's censorship being unjust is very annoying to us."

U. S. Perplexed Over Hirota's Speech

A recent *United Press* dispatch from Washington stated that the recent Diet speech of Mr. Hirota, the Japanese Foreign Minister, in which he warned of the dangers of spreading Communism in China has served to raise perplexity in the United States regarding Japan's intentions with reference to China's internal affairs. On this point, considerable interest has been aroused by the statement of the Foreign Policy Association, regarded as being strictly impartial, stating that Nanking is "bowing to Japan in North China" by the withdrawal of 140,000 troops in that area and the execution of Chinese leaders of the anti-Japanese movement.

"The general opposition of the Chinese people to this eventuality is being strictly suppressed by Nanking and Peiping authorities," the Foreign Policy Association said.

"Unless a widespread popular uprising evades this suppression, finding means to combat growing Japanese encroachments," this organization reported, "China, as a whole, faces the prospect of becoming a second Manchukuo."

Secretary Hull Hopeful Regarding Naval Controversy

Hope for an early adjustment of the naval controversy was expressed in Washington, Feb. 4, by Secretary of State Cordell Hull, in testimony given before the House Committee on Appropriations. "We hope that within a year, or a year and-a-half, there will be a disposition on the part of the dominant forces in each of the countries signatory to the Washington Naval Treaty to sit down together and work out a mutually satisfactory method of curbing armaments, meanwhile leaving their respective nationals content with the state of security," Secretary Hull said. The Secretary of State declared that the London conversations, which recently broke down, were "purely preliminary."

China's Growing Air Force Is Discussed in Japanese Diet

A *Rengo* message from Tokyo Jan. 3 called attention to the fact that China's air force was growing rapidly. So far no steps are under contemplation, three Cabinet Ministers stated at a meeting of the budgetary committee of the House of Representatives. The statements were made in reply to a question put by Vice-Admiral Saburo Yasumi, member of the Seyukai and more than a decade ago a Commander of a squadron in China waters. Vice Admiral Yasumi stated that China's air force has been increased from 500 to 700 planes since last January, and wanted to know what the Government was doing about it.

Mr. Hirota, Foreing Minister, replied that the Government was watching the growth of China's air strength, but that no immediate action was under consideration. His statement was supported by General Senjuro Hayashi, War Minister, and Admiral Mineo Osumi, Navy Minister.

New Yen 3,000,000 Airplane Manufacturing Company Organized in Japan

A new Japan airplane manufacturing company has been organized to take care of airplane manufacture for the navy; the capital is Yen 3,000,000; the plant will be established at certain spot in Izu. The first product is scheduled to be produced late in July.

Reciprocal Sino-British Agreement on Aeronautics?

A news report early in the week (later denied) stated that the British Legation and the Ministry of Communications had been negotiating with a view to entering into a reciprocal Sino-British agreement on aeronautics. Should such negotiations eventually work out successfully it could be expected that Imperial Airways would extend its Far East line from London to Singapore on up the coast to Hongkong, and that the China National Aviation Corporation Shanghai-Canton line would add Hongkong to its list of calls, which now include Wenchow, Foochow, Amoy and Swatow.

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Chief of Staff MacArthur Outlines U. S. Air Defence Plans

Gen. Douglas MacArthur, U.S. Chief of Staff, pointed out the tremendous mobility of the nation's aerial defenders under the new scheme. "I contemplate the use of the air force in any emergency, if necessary, throwing an outfit to Panama or Hawaii, and possibly even to the Philippines," Gen. MacArthur said. "A strong aerial force could make the long journey to the Philippines in jumps, by way of Hawaii and Guam. But I'd send the air force any place it might be necessary." The new plans conceive that the air force will be maintained constantly at full strength, in contrast with the infantry, artillery and cavalry, which would be skeletonized in peacetime. If an enemy bested the United States Navy and established a foothold on the mainland or any of the American insular possessions, the air force, under the new plan of defence, would immediately be despatched to prevent the enemy from enlarging the captured area until the ground forces arrived. Plans of "General Headquarters Air Force" contemplate the establishment of five groups of 200 planes each, to be located on the mainland of the United States but constantly prepared to fly to any threatened portion of he United States or any of its insular possessions.

Japanese Devise Three Army Bombers of Latest Type

A publicity ban recently removed in Japan reveals that three army bombers of the latest type, one of which is a heavy bomber, have been devised for the combined defense of Manchukuo and Japan.

Below are particulars of the three bombers announced by the Tokyo War Office:

1.—Heavy army bomber type 93, is a low-wing, all metal monoplane, designed for long distance bombing, equipped with two water-cooled 700 h.p. V-shaped engines, capable of developing a speed of 220 kilometers per hour, and of ascending to an altitude of 3,000 meters in 14 minutes. Ceiling: 5,000 meters. Loaded weight: 8 1 tons.

2.—The light army bomber of type 93 is a low-wing all metal monoplane, designed for rapid bombing on the battlefield, equipped with a pair of air-cooled 450 h.p. Jupiter engines. Capable of 250 k.m. per hour, the plane can attain an altitude of 3,000 meters in 10 minutes, with a maximum ceiling of 8,000 meters. The loaded weight is 4.6 tons with a crew of four.

3.—The light army bombing bi-plane, type 93, is a cloth-winged plane with al-metal fuselage, equipped with a single 800 h.p. B.M.W. engine, capable of 260 k.m. per hour and of attaining an altitude of 3,000 meters in 12 minutes, with the maximum ceiling of 7,000 meters. It is a two-seater having a loaded weight of 3.1 tons.

Compared with the heavy bombers of type 87 and light bombers of type 88, the new bombers are declared to be a vast improvement in every respect.

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Monetary Advisory Committee to Start Functioning Feb. 15

The Monetary Advisory Committee of the Ministry of Finance will be formally inaugurated on Feb. 15, a Nanking message states.

A set of regulations governing the organization and functions of the Committee is announced as follows :—

Art. 1.—In order to study and devise measures for the improvement of the currency situation and the readjustment of monetary affairs in various parts of the country, the Ministry of Finance shall specially organize a Monetary Advisory Committee.

Art. 2.—The Committee shall have a Chairman, a Vice-Chairman, and a number of honorary members, who shall be invited by the Minister of Finance from among prominent financiers and economists.

The Governor and Deputy Governor of the Central Bank of China, and the Director of the Currency Department of the Ministry of Finance shall be members *ex officio*.

The Governor of the Central Bank of China shall be Chairman of the Committee; the Vice-Chairman shall be appointed by the Minister of Finance from among the members.

Art. 3.—The Committee shall attend to all affairs relating to :

(a). Improvement of the currency situation.
(b). Stabilization of foreign exchange.
(c). Improvement of the methods of foreign remittances.
(c). Regulation of the currency in the inland.
(f). Any matters specially referred to the Committee by the Minister of Finance.

Art. 4.—For the discharge of the duties referred to in the preceding article, four sections shall be organized, which shall respectively be in charge of affairs relating to :

(a). Improvement of the currency situation.
(b). Stabilization of foreign exchange.
(c). Improvement of the methods of foreign remittances.
(d). Regulation of the currency in the inland.

Each section shall be headed by a Sectional Chief and be composed of a certain number of members, who shall be specially designated by the Chairman of the Committee.

Art. 5.—The Committee may organize an Experts' Commission, members of which shall be invited by the chairman from amongst officials with mature financial knowledge and experience, upon the recommendation of the various Sectional Chiefs.

Art. 6.—Meetings of the Committee shall be convened by the Chairman.

Any resolution which cannot be dealt with immediately or which, in the opinion of the Chairman, ought to be specially examined, shall first be examined before submission to be general meeting for adoption.

Art. 7.—Resolutions adopted by the Committee shall be submitted to the Ministry of Finance for consideration.

Art. 8.—In case of necessity, one or more members may be appointed to undertake special investigations.

Any expenses involved shall be borne by the Committee.

Art. 9.—The Committee shall have a number of employees, whose duties shall be assigned by the Chairman.

Art. 10.—The expenses of the Committee shall be borne by the Ministry of Finance.

Art. 11.—These regulations shall come into force upon date of promulgation.

The Ministry of Finance has decided to organize a Monetary Advisory Committee consisting of 19 persons. The Committee will meet once a month. The Minister of Finance and the Director of the Currency Department will be members *ex officio*, with the Minister as concurrently Chairman of the Committee. The Chairman is to be assisted by a Vice-Chairman who will be designated from among the members.

Among the prominent financiers invited to serve on the Committee are Messrs. Chang Kia-ngau and Pei Tsu-yee, General Managers of the Bank of China; Wu Ting-chang, President of the Yien Yieh Commercial Bank; Li Ming, General Manager of the Chekiang Industrial Bank; and Hsu Sing-loh, General Manager of the National Commercial Bank.

Record Excess of Export of Silver During 1934 from China

An excess of $259,941,414 occurred in the export of silver from China during the past year, according to the statistics made public by the Shanghai Customs. The statistics show that a total of $267,355,423 was exported, while the import amounted to only $7,414,009. The following table shows the figures of imports and exports of the white metal during the past three years :

Year	*Imports*	*Exports*
1932	$96,538,889	$57,645,774
1933	$80,134,677	$94,288,936
1934	$ 7,414,009	$267,355,423

U. S. Silver Policy Must Continue, Regardless of Effect on China

Leaders of the Senate silver and inflation blocs in Washington, Jan. 31 were unanimous in their regrets over the serious Shanghai situation allegedly created by the United States silver-buying program but they were equally unanimous in their verdict that the U.S. silver policy must be carried on. Senator F. Thomas, generally regarded as leader of the inflationist bloc, said that Congress "does not wish to injure a friendly country," but added that "the primary responsibility of Congress is towards our own people."

Commenting on the Chinese situation, Senator Thomas expressed the opinion that "only the Chinese who have been caught short have been injured by the United States silver buying program." "Even if the price of silver were $1.29 an ounce, it would be equivalent only to 85 cents in the previous United States dollar, which does not compare with the price reached during the World War," he said.

London "Financial News" Recommends Inconvertible Paper Currency for China

Establishment of an inconvertible paper currency is suggested by the *Financial News*, authoritative London journal, as the only possible remedy for the monetary crisis with which China now finds herself confronted. "China is having an extremely virulent dose of deflation, forced upon her by the silver policy of the United States," this journal said in a lengthy editorial dealing with the Chinese situation.

"As long as Chinese paper currency remains convertible into silver, and as long as silver circulates freely, the link between the metal and the monetary position of China cannot be severed completely," the *Financial News* said.

Central Bank Capital Account Increased by $60,000,000

At a meeting of the Executive Yuan Feb. 6, a memorandum was submitted by Dr. H. H. Kung, Minister of Finance, reporting on the increase of the capital of the Central Bank of China. The memorandum states that a sum of $60 millions has been duly appropriated for and added to the "capital" account of the Bank as instructed. It was decided that the Finance Minister's memorandum be placed on record and a copy sent to the National Goveanment for its record.

Lhassa Radio Station Starts Operations

Direct wireless communication between Lhassa, Capital of Tibet, and the interior parts of China was inaugurated Feb. 2. following the announcement by the Ministry of Communications at Nanking that the radio station erected by the Ministry at Lhassa had started operation that morning. The station had originally been erected by the Ministry for the purpose of facilitating the communication of General Huang Mu-sung, Special Envoy of the National Government to Tibet, with Nanking, but now the station has been opened to public use.

Julean Arnold Tells P. P. A. Audience There Is a Decided Upturn in American Business

Speaking before the Pan-Pacific Association at a luncheon meeting at the Astor House Hotel Feb. 1, Julean Arnold, United States Commercial Attache, said America's depression saved her from a revolution and made possible the stupendous changes in the country's social and economic life.

Commenting on various impressions gained by personal observations during a six months trip through America, Mr. Arnold predicted that future historians will have much to say about the new era arising out of what he termed the "greatest depression which the United States ever experienced."

Touching upon conditions in banking, on agricultural problems, the subject of refinancing, industry and business in general, transportation, building construction, unemployment and relief insurance and other present day situations, he declared that a decided upturn was noted. He stated that recent elections indicated that the beginning of the final phase of reconstruction and recovery was at hand and that the country has full confidence in the President and the "New Deal."

He said: "There are no indications of any substantial leanings toward communism or Fascism. The President very wisely is steering a middle course, apparently determined to accentuate human rather than economic values."

Speaking of banking, Mr. Arnold said that fifteen years ago there were 31,000 banks in America as a result of an over-expending economic growth. Today there are only 15,000 banks, which are considered ample for the nation's needs. The speaker expressed the belief that the particular significance to the farming population was the aid rendered by the government in the refinancing of home and farm mortgages, whereby mortgagors were favored with lower rates of interest and longer periods of amortization.

Painting a word picture of transportation facilities in the United States today, Mr. Arnold said: "It is now a distinctive pleasure to travel in America during the summer on the transcontinental railways, because many of them are furnished with air-conditioned cars. In fact, one can be more comfortable in an air-conditioned Pullman in the middle of the summer in the hottest parts of the country than in almost any hotel. Of still greater significance, however, to railway transportation in America in the near future is the development of the stream-lined trains. Being diesel engined and of light alloy metal they can be operated at a fraction of the cost obtaining at present. The idea is to operate three car articulated units at from 90 to 100 miles an hour."

Japan to Quit Opium Advisory Body Unless Invited

Japan will cease her participation in the League of Nations' Opium Advisory Committee unless in formally asked to remain, but will keep her representative on the Central Opium Committee, a high official of the Tokyo Foreign office told *Rengo* Feb. 2, when discussing Nippon's attitude towards the Geneva organization after her withdrawal becomes effective on March 27. Similarly participation in the Committee for the Protection of Minors and Children will be discontinued if no request to continue in its activities is forthcoming, the official said.

Japan, however, will keep her seat on the Mandates' Commission the International Labor Office, the World Court and the General Disarmament Conference, all of which are operating under the League's auspices, but are based on treaties distinct and independent from the League Covernant, he explained. Japanese representatives, acting in a personal capacity, will remain on the Health, Finance Economics, Intellectual Co-operation, Traffic and Currency Commissions in keeping with the Japanese Government's declaration that Japan would participate in the League's cultural activities the official concluded.

Morphine Trafficker Executed at Nanchang

By order of General Chiang Kai-shek, President of the Military Affairs Commission, Huang Fei, formerly Director of the Hunan Aviation Bureau, found guilty of engaging in the morphine traffic, was executed at Nanchang Jan. 29. Huang was arrested in Hankow and brought to Nanchang for court-martial. Liu Tze-chiu, an accomplice, was executed at the same time.

Flood Sufferers in Northern Honan to Be Migrated to Chahar

(From the Review's Correspondent at Kaifeng)

Owing to the flooding of the Yellow River in recent years, about half a million farmers in Huahsien and Fengchiu Districts in Northern Honan were rendered homeless. The Honan Provincial Government is now drafting regulations to migrate stricken people in the mentioned districts to Chahar and Suiyuan in Northern China for developing barren lands. The immigration will be put into effect as soon as the regulations are sanctioned by the Central Government.

With the melting of the accumulated ice, the Yellow River has again been flooded in several places in recent weeks in Northern Honan. One part of Kaifeng District, about 50 li along the northern side of the river, was innundated on January 20, when a large number of farmers were drowned.

In Feng Chiu District in Northern Honan more than 100 villages are now still under water, with 57,000 farmers, rendered homeless. The water rose five feet in the mentioned district, on account of the rising of the river on January 2 and 3. According to arrivals in Kaifeng the whole region of Chang Yuan District, on Honan-Chihli border, was again flooded. Chang Yuan city is surrounded by water to a depth of 8 feet.

The Railway Ministry of Nanking, the Bureau of the Pinghan Railway, and the Honan Provincial Government, have sent representatives to inspect the Yellow River Bridge.

Li I-chih, commissioner of the Yellow River Committee, telegraphed his resignation to the Central Government last week. In his telegram, he pointed out the following reasons for his resignation: Ill health, inability to carry on heavy work, and lack of results from his work.

Refugees Eat Bark and Grass in Hupeh

A report has been received in Nanking from Chichun, southeastern Hupeh, stating that thousands of refugees in that district are subsisting on barks of trees and roots of grass. Fang Chio-wei, member of C. E. C. and Special Party Affairs Commissioner for Honan province, who is himself a native of Chichun, has telegraphed to the Hupeh Provincial Government to give urgent relief, and is making a personal remittance to provide funds for the emergency.

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Ward Price Says Singapore Base Is Useless

The Singapore Naval Base is useless, D. Ward Price wrote in the *London Daily Mail* Feb. 2. It would be a thousand times better to cut our loss in Singapore, and let the base go back to the jungle rather than run the risk that its existence might one day embroil us with Japan, he wrote.

The wise course now, continued Mr. Price, would be to meet Japan's desire for closer relations with Great Britain at least half way, and to use "our common friendship with her and the United States to smooth away any mistrust between them."

Joint Anglo-American Action Derided by British Army Man

The dangers of the policy of an Anglo-American alliance in the Pacific, advocated in certain quarters, were stressed in an address at Ilford, England, Feb. 1 by Lieut.-Col. Cecil Malone, former Labor member of Parliament. "It is very strange that those who are the strongest protagonists of a collective system and of the League of Nations in the west, are, when it comes to the Pacific, urging joint action on England's part with a non-member of the League—the United States—in order to destroy the military and economic power of another non-member state—Japan," Lieut.-Col. Malone declared.

"Such a policy," he continued, "would appear to be the height of folly. It is a solution which is opposed to the spirit of the League. It is an extremely provocative policy on the lines of pre-war balances of power.

"It would be the death of British trade in China," the speaker added, "and it would mean the unification of the yellow races, as well as the strengthening of the military party of Japan.

"It should be recognized," the speaker concluded, "that the security of the Far East can only be achieved by the recognition and reconciliation of the rights and interests of China, Japan and Great Britain."

Better Treatment for Southern Branch of Confucius Descendants

A joint report made by of Dr. Wang Shih-chieh, Minister of Education, and Kan Nai-kwang, Acting Minister of Interior, on the petition of the Chekiang Provincial Government to accord better treatment to the Southern branch of the descendants of Confucius, was adopted and is being forwarded to the Standing Committee of the Central Executive Committee for reference.

China League Payments Greatly Reduced

The Commission dealing with the distribution of League's expenditure and the Special Committee for the settlement of accounts in arrears unanimously agreed at Geneva, Feb. 6, to reduce China's contribution to the League to 42 units, each unit being equal to Gold Fr. 30,294.65.

The decision follows the request for reduction presented by the delegate of the Chinese Government to the Committee on Budgetary and Administrative Questions of the League Assembly and was taken in consideration of the financial and economic situatinn of China, especially after the calamities experienced by her in recent years.

The arrears due from China for the period from 1931-1934 were annulled by the said decision, and the amount of remaining consolidated arrears charged to China shall, in accordance with the accord of 1930, be paid in 30 equal yearly instalments beginning from 1935.

In connection with China's contributions to the League, the *People's Tribune* Feb. 1 commented:

"China's quota to the League Treasury was fixed too high in the first place altogether out of proportion to those of other States, judged either by national incomes or expenditures. Her contribution, as a percentage of total national expenditure, shows that of 11 representative Powers, China's quota is the heaviest, ranging from eight to ten times that of an average big European Power to twice or three times that of a smaller State. This over-assessment of China's annual contribution to the League led to diffculties in making regular payments during the early years of her membership, and arrears began to accumulate."

Penna. Supreme Court Sustains Hommel Expedition to China

The Pennsylvania Supreme Court at Philadelphia Feb. 2 reversed a decision of a lower court and ordered that Rudolph Hommel be allowed to continue a proposed expedition to China and the Orient, financed by a U.S.$100,000 trust fund left by the late Dr. Henry Chapman Mercer. Mr. Hommel's home is at Doylestown, Pa., the residence for many years of Dr. Mercer. Before his death in 1930, Dr. Mercer had been known for many years as a leading American authropologist. From 1894 to 1897 he was Curator of American and Prehistoric Archaeology of the University of Pennsylvania.

General Minami Expounds His "Peace" Formula

General Minami, Japanese ambassador to Manchukuo and commander-in-chief of the Kwantung Army, proposed a peace formula at Dairen Jan. 31, which includes Europe, America, and the Orient separately, and then general co-operation for world peace. He declared that Japan firmly believed that the establishment of Manchukuo was the first step towards peace in the Far East, and she staked her very existence against any factor which was liable to disturb the new State.

Referring to the basis for a strengthening of the friendship between China and Japan, General Minami declared that China should first drive out all communists and then abandon her opposition to Japan.

He said that the transfer from Russia to Manchukuo of the Chinese Eastern Railway was likely to facilitate an improvement in relations with the Soviets, but that it was too early to predict that no questions would arise from the transfer. He also declared that it would be premature to predict an anti-war pact between Japan, Manchukuo and Russia.

General Minami added that the Kwantung Army was driving out the Outer Mongolians in the Khalka Miao district, and had driven out the troops of General Sung Cheh-yuan, chairman of the Charhar provincial government, because they had not "heeded friendly warning."

He concluded by saying that the Japanese Army was ready to take drastic action against any other invaders.

Japanese Insist on "Cooperation" with Chinese

Sino-Japanese co-operation can only be achieved if and when China abandons her anti-Japanese attitude, a Foreign Office spokesman stated in Tokyo Jan. 21. "Moreover," the spokesman continued, "Japan cannot co-operate with China if the latter changes her attitude merely to facilitate the solution of her domestic problems, such as the exodus of silver or the anti-Communist campaign." Abandonment of the boycott of Japanese goods and of anti-Japanese education were cited by the spokesman as some of the possible demonstrations of China's sincerity. "Japan is awaiting China's awakening to the idea of a rapprochement. When that takes place, Japan will extend all assistance in her power to her neighbor," the spokesman concluded.

Alleged Bribe to Ex-Marshal Chang Is Further Discussed

Participation of a Japanese army officer, in active service, in the publication of an anonymous pamphlet charging Mr. Tokonami, Minister of Communications, with having indirectly received a $500,000 bribe from Marshal Chang Hsueh-liang in 1928 was established in Tokyo Feb. 5, following admissions by Gen. S. Hayashi, Minister of War in the House of Representatives. The revelation by Gen. Hayashi culminated in an acrimonious debate in the Budgetary Committee of the House of Representatives the previous evening during which Mr. Tsugumo and Mr. Kobayashi, of the Seiyukai, bombarded the governmental bench with a series of embarrassing questions.

Mr. Tsugumo and Mr. Kobayashi took the Tokonami issue up from where Mr. Yamaguchi, of the same party, had left off in a stinging attack on the integrity of the Minister of Communications, which reflected disapproval of the army's meddling in politics, during the question period in the plenary session of the Lower House on Jan. 23.

After decaring, in answer to Mr. Kobayashi's repeated questions, that he could not disclose why a Major Tanaka had been punished, Gen. Hayashi admitted that the officer had been disciplined because he had been "involved in the issue of an anonymous document."

Before obtaining this declaration, Mr. Kobayashi and Mr. Tsugumo mercilessly pressed the Minister for answers to a series of questions centering on a receipt for $500,000, signed by Mr. Akazuka, a former diplomat, and Mr. Tsuruoka, a former member of parliament.

Q.—Is the receipt in question being kept at the War Office? If not, where is it?

A.—It is true that a receipt was found. I had an investigation made at Changchun but I don't know where the receipt is now.

Q.—Do you consider that receipt a prize of war?

A.—I couldn't say if it is or not.

Q.—Did you receive a telegram or the subject?

A.—I am certain a telegram war received.

Q.—Judging from the nature of the case, I assume that an investigation was made.

A.—I have ordered an inquiry but the details are still not available.

Q.—The receipt was taken from Chang Hsueh-liang's safe. It was written by Akatsuka. I have talked to Akatsuka about this and I have evidence on the matter. It is not true that it is this receipt that the Army seized, and, angered by its contents, sent a telegram? Major Tanaka was punished at that time because he was involved in this affair?

A.—It is true that he was punished.

Q.—Why was he punished?

A.—I cannot answer.

Q.—Why?

A.—As I said, before I cannot answer.

Q.—Why?

A.—Because he took part in the issue on an anonymous document.

Turning to N. Obara, Minister of Justice, Mr. Kobayashi asked if Mr. Tsuruoka and Mr. Akazuka were being questioned Mr. Obara replied: That is under consideration by the procurators.

Political skeletons were brought to life when a member of the Seyukai Party in the House of Representatives Jan. 31 attacked the Army for failing to live up to the views expressed in the pamphlet on national defense, issued by the Press Bureau of the War Office on October 2 last. The attack was directed by Mr. Takeda, who reminded General Hayashi, War Minister, that despite the advocacy of rural relief in the pamphlet, the relief appropriation in the 1935-36 budget was "extremely small."

Japan's Trade Is Boosted by Military Demands

The growing demands of Japan's military and general industries are being held responsible by the officials of the Finance Ministry for the exceptionally large volume of imports during the last eleven days of January. Raw cotton led the list of imported goods, with Yen 43,606,000, followed by wool, Yen 8,640,000, and iron, Yen 8,456,000. Other commodities imported in large quantities were machinery, valued at Yen 2,974,000, and oil, valued a Yen 2,509,000. The total of Japan's foreign trade for the last eleven days of January was Yen 202,619,000, of which Yen 106,468,000 represented imports and Yen 96,151,000 exports. The unfavorable balance of trade thus amounted to Yen 10, 317,000. The total unfavorable balance for the month was Yen 68,024,000. Cotton fabrics led the list of exported commodities, being valued at Yen 23,518,000. The next in the list were raw silk, Yen 12,251,000, rayon, Yen 5,744,000, and silk fabrics, Yen 3,511,000.

Japanese Industrialists Oppose 40-Hour Week Proposal

The Federation of Industrial Associations of Japan has decided to turn down the proposal of the Council of the International Labor Conference to introduce a 40-hour week in specified industries. A resolution adopted by the Federation end of last month voiced opposition to the Geneva proposal "irrespective of whether it is applied to specified industries or not."

Former Finance Minister Fujii Dies at Age of 51

The death occurred in Tokyo. Jan. 31 of Sadanobu Fujii, former Minister of Finance, from complications arising from emphysema of the lungs from which he had long been suffering. Mr. Fujii was 51 years old. Mr. Fujii resigned on November 26 last year from the post of minister of finance after his health, which had always been precarious, was seriously undermined by excessive work in compiling the largest budget in Japan's history. He was succeeded on November 27 by Mr. Takahashi, 89-year old financial expert, who had occupied Mr. Fujii's post in the former Saito Cabinet.

Japan to Make Huge Loan to Brazil

The Japanese Trade mission, which will visit Brazil this year, will negotiate for a Yen 350,000,000 loan to the Brazilian Government, according to a report received in Tokyo. The report states that the object of the loan is to make Brazil the center of Japanese trade with South America, and that the loan will bear five per cent interest and mature in sixteen years.

American Cotton Purchases Await China's "Sincerity"

A joint meeting of Japanese officials and private industrialists held last week decided to refuse to purchase any more American cotton in China's hands "until China's sincerity becomes clear."

Osumi Says Japanese Warships Superior to American and British Veesels

Japan's warships, taken vessel by vessel, are superior to those of Great Britain or the United States, Admiral Mineo Osumi, minister of the Navy, said Feb. 6 in a debate in the Military and Naval Affairs Sub-Committee of the House of Representatives. This superiority was achieved, the Navy Minister added, replying to Mr. Shimizu, Minseito member from Gumma prefecture, by the progress made by Japanese shipbuilding experts in securing better defensive and offensive characteristics in the vessels by sacrificing the comfort of the crews. Following the debate the session was ordered closed to the public on the ground that matters demanding secrecy were to be discussed.

Japanese Railways Building 3,000 New Freight Cars

Three thousand freight cars will be built this year by the Ministry of Railways at a cost Yen 10,000,000 to cope with increased business on Japanese state line, it is announced from Tokyo. Two thousand cars were built last year. Gross revenue from freight shipments totalled Yen 175,000,000 in January this year an increase of about 1,600,000 compared with last year, officials said.

Japanese Seamen Sentenced for Assaulting Members of Philippine Constabulary

Sentences ranging from six months to two years were imposed on Captain Kichiyoshi Sakamoto and eight members of the Japanese freighter *Kaiun Maru* Jan. 29 by the branch court of the Takao (Formosa) District Court, following conviction of having illegally imprisoned and assaulted the members of the Philippine Constabulary and one policeman at Balabat on Palawan Island in the Philippines on Sept. 11 when the officers boarded their ship for customs inspection. International complications, involving Japan, China and the Philippines, were threatened as the result of the incident.

Nagaoka Chosen as Successor to Adatchi Seat in Hague

Dr. Harukazu Nagaoka, former Japanese Ambassador to France, who returned to Japan Jan. 19 from Batavia, where he headed the Japanese delegation to the inter-governmental trade negotiations with the Netherlands authorities, was announced Feb. 6 as the Government's choice for candidate as successor to the seat on the Permanent Court of International Justice at the Hague occupied by Dr. Adatchi until his death on Dec. 28 a Amsterdam.

Cameron Forbes to Head U.S. Economic Mission to Far East

W. Cameron Forbes will head the American Economic Mission to the Orient, according to an announcement made in New York Feb. 1 by the American Council on Foreign Trade, which is sponsoring the visit. Mr. Forbes is recognized as one of the outstanding authorities on Far Eastern affairs in the United States, and has had extensive experience in the Philippines and in Japan.

From 1909 to 1913, he was Governor-General of the Philippine Islands. He resigned from this post, but returned to the islands in 1921 as a principal member of the Wood-Forbes mission appointed by President Harding to investigate conditions in the Philippines. Members of the mission will sail from San Francisco on March 22.

Foreign Trade Convention Publishes Official Report

The official report of the 21st National Foreign Trade Convention, held at New York, Oct. 31, Nov. 1 and 2, 1934, has been pubished in book form. James A. Farrel presided as Chairman.

Among the decisions arrived at was the following:—"The practice of leading foreign countries, in sending men selected for their knowledge of foreign trade requirements, export and import, to visit and survey trade and investment possibilities in other countries, should be followed by our own Government. The Convention recommends that the National Foreign Trade Council pursue this subject with the assistance of other interested organizations."

The Convention recorded its concern over present conditions affecting American trade in the Pacific area, in such countries as the Philippines, Japan, China Australia and New Zealand. As the future of American world trade is indissolubly bound up with the maintainance of a full measure of reciprocal trade in that area, no obstacles or discrimination should be imposed by legislation or embargoes, discriminative duties or other trade barriers which would affect the natural flow of reciprocal trade. While this statement is to a large extent applicable at to other areas, the Convention recorded its appreciation of the opportunities which lie in the American Pacific possessions and neighboring countries, and the peculiar responsibility of the American people in protecting and maintaining such mutual trade.

Kwangsi Province Inaugurates Compulsory Educational System

Dr. Hu Shih, upon his return from South China last week, stated in an interview that universal compulsory education will be enforced by the Kwangsi provincial authorities beginning from this month in accordance with their 10-year provincial reconstruction plan. The most striking feature of Kwangsi's provincial reconstruction scheme, he said, is the Veterinary Institute now being established in Nanning, which aims at being one of the foremost institutions of its kind in the Far East. The institute is nearing completion, and is under the supervision of Dr. Rodier, an Ameriacn, who has had a brilliant and successful record in the Philippine Islands, and has many able Filipino assistants under him. The Kwangsi provincial authorities aim at stamping out animal diseases, and increasing the provincial live stock output, which will be exported to Kwangtung and various other provinces in China as the main provincial industry, Dr. Hu was informed. In time to come, he said, Kwangsi will be able to supply vaccine for the whole country.

The law enforcing universal compulsory education will be promulgated beginning next month, and aims at giving children of seven to 11 years old a two-year education, which is as much as the provincial treasury could afford under the present circumstances.

"A tip from a champion made *me* a winner"

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Quaker Oats

Sharp Decline in Value of Manchurian Industrial Stocks

Anxiety is being expressed in Manchukuo financial circles over the continued decline in the value of Manchurian industrial stocks. With the exception of a few companies engaged in the production of war materials, the stocks of 15 out of 24 main industrial enterprises have declined on the Tokyo Stock exchange. The nine concerns whose quotations at the end of December were above par, included the Manchuria Telegraph and Telephone Company, Manchuria Beer, Toa Tobacco Company, Dairen Exchange Trust, Dairen Stock and Merchandise Exchange and the Manchuria Exchange.

Large declines, in cases amounting to 40 per cent, were shown by cement companies, textile manufacturing concerns, beer producers and leather firms.

The Oriental Development Company, a semi-official investment concern, declined to Yen 22.80 at the end of December, with fluctuations from Yen 30.90 high in April to Yen 19.90 low in November. Par is Yen 50. Five of the 24 concerns, which did not include the South Manchuria Railway Company, passed no dividends during the year.

Manchukuo to Negotiate With Foreign Oil Concerns

The Manchukuo Government Tokyo, Feb. 1, instructed Montaro Tsuge, oil adviser to the State and Director of the Nippon Petroleum Company, to negotiate with the representatives of foreign oil concerns in Tokyo. The Government, according to official circles, has decided to take the step as the result of new protests filed by the British and American companies operating in Manchukuo against the Oil Monopoly Law. Indicating that the foreign oil campanies in Manchuria were about to give up their fight, a recent *Nichi Nichi* dispatch from Mukden said the two American firms involved, the Standard Vacuum Oil Company and the Texas Company (China), Limited, and the one British firm, the Asiatic Petroleum Company (North China), Limited, had entirely abandoned their agitation against the oil monopoly and had assumed a conciliatory attitude.

Foreign Firms Open Joint Oil Agency in Mukden

The establishment of the Mukden General Oil Wholesale Company, operated jointly by the Standard Oil Company, Texas Oil Company, the Asiatic Petroleum Company and three other concerns was revealed in Mukden, Feb. 6. The new firm has paid in a guarantee fee to the Mukden Monopoly Office, in accordance with the provisions of the new Oil Monopoly Law, and applied to the Central Government for a wholesale dealer's franchise for the Mukden district.

Manchurian Trade to Benefit from C.E.R. Agreement

A recent Changchun message stated that bean exports from Manchuria, and Soviet-Manchurian trade generally, are expected to experience a boom, when Soviet Russia begins to receive Yen 93,000,000 worth of commodities as a part payment for the North Manchuria (Chinese Eastern) Railway. Manchukuo Authorities, it is stated, are contemplating a series of measures designed to maintain the price and supplies of beans. This year's exportable surplus of beans is estimated at 400,000 kilograms, all of which Manchurian exporters reportedly hope to sell to Russia.

Japan-Manchukuo Telephone Service to Be Accomplished by End of Next Year

Completion of plans for the establishment of direct telephone service between Japan and Manchukuo by the end of 1936 was revealed in Dairen, Feb. 5, by the officials of the Manchuria Telephone and Telegraph Company and the Japanese Ministry of Communications. According to the present plans a submarine cable will be laid across the Korean Strait, from Shimonoseki to Fusan, in South Korea. Telephone communication between Antung and other cities in Manchukuo will be by means of underground cables, the first section of which will be constructed this year at the cost of Yen 600,000.

O.S.K. to Place New Liner in Japan-Manchukuo Service

The Osaka Shosen Kaisha will put a new vessel, *Kichirin Maru*, in the Dairen-Japan service on Feb. 11, when the ship will leave Kobe on her maiden voyage. The *Kichiron Maru*, displacing 7,000 tons, can develop 19.22 knots and carry 857 passengers. Her sister ship, the *Nekka Maru*, will be put into commission in April.

Bigger Locomotives to Run on S.M.R. Lines

Locomotives twice as large as those now operating on the South Manchuria Railway and capable of developing more than 80 kilometers per hour, will run on the line between Dairen and Hsinking in April, according to a statement issued at the Kawasaki Rollingstock Manufacturing Works in Kobe. The first of these new locomotives was completed Feb. 5.

Soviet-Manchukuo Waterways Negotiations Deadlocked

Little hope for the reopening of the Soviet-Manchukuo waterways conference at Heiho, which adjourned in the middle of January after the negotiations had drifted into an unbreakable deadlock, was held by officials of the Harbin Navigation Bureau Feb. 1. The major issue which led to the impasse, Manchukuo officials said, was the question of the removal of Russian navigation marks on the Manchukuo side of the waterway at the confluence of the Amur and Ussuri Rivers. Manchukuo insists that they be dismantled, but the Soviet Union refuses to do so. Meantime the Navigation Bureau at Harbin has sent notes to the Amur Shipping Bureau at Khabarovsk and to the Blagoveschensk Wharf Office threatening retaliation for the Soviet refusal to take the signs down.

Manchukuo Contribution to Defence Expenses Is Questioned

The legality of accepting Yen 9,873,000 from Manchukuo as the new State's contribution to the joint defence expenses incurred by Japan was questioned by K. Ohguchi, of the Seiyukai, at the first session of the Deficit Bond Sub-Committee of the Lower House, Feb. 5. Dissatisfied with the reply that such a contribution was natural in the light of the spirit of the Japan-Manchukuo protcool of September 15, 1932, made by Government representatives, Mr. Ohguchi said he would ask for a responsible reply from K. Hirota, Foreign Minister, and the Premier, Admiral Keisuke Okada. "There must be ample basis for accepting a contribution to transport His Majesty's troops," Mr. Ohguchi said, pointing out that "it may reflect unfavorably on the Army's spirit."

Japan to Migrate Koreans to Manchuria

According to telegraphic message from Shenyang (Mukden), the Japanese authorities have decided to migrate, beginning March 1 next, a large group of Koreans to extensive tracts of fertile land along the banks of the Huiho and the Taitseho, which are estimated to cover about 10,000,000 mow of land. Both the Huiho and the Taitzeho are in the Liaoning Province along the South Manchuria Railway.

Bandit Gang Is Routed at Taoyangcha

In a surprise attack early in morning of Feb. 1 two cavalry regiments of the Manchukuo Army routed a bandit gang at Taoyangcha, killing 30 and capturing 40 bandits. The gang, which consisted of 200 members of two powerful bandit groups, was surprised at its morning repast and (according to *Rengo*) could offer little resistance. Among the killed bandits was the leader of the gang, Chiu Chiang-hao. Nine hostages were rescued by the troops, and a quantity of arms and munitions captured.

Rengo states that as the result of the severe cold and the effective work of the punitive expeditions, nine of the largest bandit gangs in the Chientao Province were negotiating with Japanese Consular Police at Tatuchwan for surrender. The total number of men in the nine gangs was 970, all armed with rifles.

The body of Lieut. Toshio Seo, 26 year old Japanese officer in command of a Manchukuo patrol, who was killed in a combat with Outer Mongolian forces near Khalkamiao on Jan. 24 was sent to Hailar for burial.

Bandits Raid Another Town on C.E.R. Line

The settlement at Tsaolin, on the eastern section of the Chinese Eastern Railway, was recently raided and plundered by 100 Chinese bandits. During the fighting between the bandits and the town guards, two Chinese women and a girl were killed. The bandits kidnapped sixteen merchants.

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Manchukuo Plans 20,000 Kilometers of New Railways

Manchukuo is planning a 20,000-kilometer network of railways, 15,000 kilometers of which will be owned by the state and 5,000 by private parties, with opportunities for foreign capitalists.

The existing mileage, including that of the Chinese Eastern Railway, the transfer of which to Manchukuo is now being negotiated is 7,000 kilometers, while the remaining 8,000 kilometers are now under project of the government.

The present lines are principally for national defense, but the projected lines will be to the benefit of economic development.

A government commission and legislation have been proposed for the grouping of all the railways. Meanwhile, state railway authorities are proposing to China further extension of through railway facilities from China to Manchukuo.

These include, firstly, the operation of two return trips; secondly, the handling at Shanhaikwan of all through goods to the Orient, the laying of more sidings and the establishing of a special ware house; and, thirdly, the revision of the customs procedures at Shanhankwan.

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Parcel Post Service Is Resumed with Manchuria

A circular order issued in Nanking Feb. 1 to Chinese Post Offices announced that parcel post services have been resumed with Liaoning provinces. Stipulating that Manchukuo names are not allowed to be used, the order states that fees and procedures are similar to those for domestic services with the exception that an additional charge of 10 cents per kilogram is to be levied. The Postal Remittances and Savings Bank also started in the same date to accept remittances for the four Manchurian provinces. Remittances will be sent through Shanhaikwan and Kupeikow, where the amounts will be adjusted owing to differences in currency. Fees and procedures are similar to those for domestic remittances.

Foreign Ministry Refuses to Transfer C.E.R. Property in Shanghai

The *Sin Wen Pao* reports that the Ministry of Foreign Affairs has definitely refused to approve transfer to Soviet officials of a large tract of land at Pootung belonging to the Chinese Eastern Railway. The Ministry stated that it would not issue any such document unless a specific order had been obtained previously from the Central Government and the Central Party Committee.

The Ministry was requested to approve the transfer by the Russian Ambassador, acting on behalf of his government in an attempt to get Chinese approval in implementing certain conditions of the terms of the contract of sale recently concluded between Japan and Russia concerning sale of the Chinese Eastern Railway to Japan. The refusal of the Ministry of Foreign Affairs was based on the fact that the National Government had branded the sale as illegal, and no requirements under the contract between Japan and Russia can be considered as binding upon China. The Pootung land will remain officially as the property of the Chinese Eastern Railway and no transfer will be approved except under contracts made with the approval of the National Government.

C.E.R. Drafting Committee Meets

The first meeting of the committee drafting the final agreement on the transfer of the North Manchuria (Chinese Eastern) Railway to Manchukuo was held at the Tokyo Foreign Office. Feb. 1. Those present were Chuichi Ohashi, Vice-Minister for Foreign Affairs of the Manchukuo Government, Benedict I. Kozlvskii, Soviet delegate, and Haruhiko Nishi, Chief of the First Section of the Eurasian Affairs Bureau of the Tokyo Foreign Office.

Russo-Asiatic Bank Liquidator Says Soviets Have No Title to C. E. R.

A statement to the creditors of the Russo-Asiatic Bank that their "legitimate interests" in the Chinese Eastern Railway are threatened by Soviet sale of the line to the Japan and Manchukuo authorities was issued Feb. 2 by Percy Chu, liquidator of the Bank in China. The statement set forth that the right to build the railway was granted by the Chinese Government to the Russo-Chinese Bank, later the Russo-Asiatic Bank, and that on formation of the Chinese Eastern Railway Company "its entire capital of five million rubles was subscribed by the Russo-Chinese Bank which has been since then the sole owner of the shares of the railway." The statement further maintains that under the Sino-Soviet agreement of 1924 concerning the railway, the Soviet Government "made itself fully liable for the shares of the company held by the Russo-Asiatic Bank" as well as for all claims against the line before March 9, 1917.

Since, according to the statement, this part of the agreement has not been carried out, "the Soviet Government has not the legal title to the ownership of the railway and cannot therefore dispose of it."

The statement reveals that on June 23 and July 18, 1933, respectively, Mr. Chu sent notes to M. Bogomolov, Soviet Ambassador to China, and M. Ariyoshi, Japanese Minister to China, protesting against the negotiations for sale of the railway unless and until the Bank's claims were satisfied.

Moscow "Pravda" Discusses Soviet-Japanese Relations

In an editorial devoted to Molotov's concluding speech at the Congress of Soviets, Moscow *Pravda* pointed out that Hirota has again expressed himself against the acceptance of the Soviet proposal regarding the conclusion of a non-aggression pact between the U.S.S.R. and Japan. "The whole world knows," declared this Russian newspaper "that the U.S.S.R. is not contemplating war; it only remains to draw the conclusion that Japan's refusal is due to the fact that the Japanese military circles are now deciding the question of necessity of an attack against us."

Pointing out that defensive preparations of the U.S.S.R. on the Soviet-Manchurian frontier have been carried out only because Japan does not cease open preparations for an attack on the Soviet Far East, *Pravda* emphasized that Japan has not observed the Portsmouth Treaty and that the Japanese military clique has converted Manchuria into a drilling ground against the U.S.S.R.

American University Club in Shanghai Has 397 Members

A recent circular issued by the American University Club stated that the Club now has a membership of 397 members, which includes 193 foreigners and 204 Chinese. Out of the 397 members, 106 are life members. There are 125 Colleges and Universities represented, with Columbia having 52 members, Harvard 39, Pennsylvania 28, California 21, Michigan 20, Chicago 19, Cornell 18, Yale 18, Wisconsin 17, Princeton 16, New York 14, M. I. T. 13, and Illionis 13. The other Institutions all have under 10 members.

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U. S.-Soviet Negotiations Suspended---Official Announcement

The suspension of the negotiations on debts and trade relations between the United States and Soviet Russia was officially announced in Washington Feb. 1 by Secretary of State Hull, following his last conversation with the Soviet Ambassador, M. Troyanovsky. It is understood stated that the breakdown was due chiefly to Moscow's demand for a longterm credit or loan to be granted the Soviets for a period of at least 20 years, say. At the outset of Russo-American parleys, the Department of State refused to go beyond its offer of a five-year commercial credit to be arranged through the Import and Export Bank created for the purpose of financing trade transactions with U.S.S.R.

Despite these divergencies an agreement had been hoped for but instructions not to persist in the matter are said to have been received by M. Troyanovsky from his Government.

Later telegrams from Washington stated that the U. S. State Department was greatly concerned over the possible effect the collapse of the trade negotiations might have upon conditions in the Far East, especially insofar as they are related to the problems of the peace of the world. The State Department is stated to be much more concerned with this latter question than it is with the fact that the American export trade may suffer sharply due to the fact that thus far the Soviet and the United States efforts to work out a plan acceptable to both nations have not been fruitful. It is feared that the early expansion of the Soviet markets due to the collapse may cause a decline of Russian prestige in the capitals of the world, especially in Tokyo and in Nanking.

Despite everything, however, well-informed observers are of the opinion that the negotiations between America and Russia are not dead. They feel that within a few weeks Russia will make a conciliatory move which will result in the re-opening of the parleys.

Litvinov Makes Statement on Debt Negotiations

In connection with the declaration of the Secretary of State Cordell Hull, about U.S.S.R.-American negotiations, People's Commissar of Foreign Affairs, Mr. Litvinov, in a statement in Moscow to a representative of *Tass* Feb. 3 said the main principles of the agreement on liquidation of Soviet and American mutual financial claims were elaborated in conversations with President Roosevelt about a year ago. "These principles" said Mr. Litvinov, were in full accordance with repeated declarations of the Soviet Government about its willingness to discuss the question of old debts only under the condition of recognition of Soviet counter-claims and of granting a loan to the U.S.S.R. Therefore I had left Washington, fully confident that further negotiations would refer only to details of the agreement and therefore would not present any difficulty. Unfortunately, in the course of ensuing negotiations started by the American Ambassador, Mr. Bullitt, in Moscow and continued afterwards between the State Department and Mr. Troyanovsky, one of the main points of the agreement reached in Washington, namely that referring to a loan, was put under doubt. The Soviet side in its proposals has kept strictly within the limits of that agreement and brought its concessions to the point, beyond which the revision of the entire Washington agreement should be started."

U. S. Will Close Down Soviet Consulates After Debt Failure

The U.S. State Department Feb. 6 announced the abolition o the United States Consulate-General in Moscow and the with drawal of a number of Consuls from Russia. This is a seque to the recent breakdown in the debt negotiations between America and Soviet Russia, which has made a large Consular staff in Russia unnecessary.

Sweeping Changes to Be Made in Soviet Electoral System

Sweeping reforms of the Soviet electoral system, replacing terrorism with a democratic form of government and calling for the installation of a popular secret ballot, have been mapped out by the All-Union Soviet Congress. M. Molotov, president of the Council of People's Commissars, has been commissioned on behalf of the Central Committee of the Communist Party to propose constitutional reforms necessary to bring about the desired changes. "We are planning merely to bring the constitution into accordance with present co-ordination of the class forces in the Soviet Union," said M. Molotov.

The *United Press* correspondent at Moscow says the adoption of the popular ballot would be a major stride for the Soviet Union, one of the foremost steps toward democratic government yet taken by the government of the proletariat. It was not stated, however, what effect the general election idea would have on the present system of dictatorship.

The ballot, at the present time, is restricted largely to the members of the Communist Party—a relatively small minority. The new plan provides for equal representation throughout the country instead of the old system whereby one delegate is elected for every 25,000 town workers and one for every 125,000 peasants in rural districts.

Radek Points Out Growth of German and Japanese Imperialism

In an article in Moscow *Izvestia* Jan. 29 entitled "International Policy Between the 6th and the 7th Congresses of Soviets," Karl Radek said that the most fundamental change that had taken place in the general situation was that the foundation of Socialism has been completed in the U.S.S.R., which meant breaking all hopes of imperialist enemies of the U.S.S.R. to hinder the construction of Socialism by a sudden blow. Mr. Radek said the danger of war against the U.S.S.R. has not been reduced. Instead the colossal military power of German imperialism in Central Europe and modernization and strengthening of the Japanese army and navy in the Far East, has taken place, and it would be greatest lightheadedness to pass by these facts without paying to them greatest attention.

Soviet Defense Commissar Says Red Army Is Ready

Declaring that war was being intensified against Soviet Russia, M. Tukhachevsky, vice-commissiar for defense, in Moscow Jan. 30 informed delegates attending the All-Union Congress of the U.S.S.R. that the government was prepared to meet any attack. "Let our enemies try to cross our borders and test the strength of our army," he declared. M. Tukhachevsky's announcement that the Red Army had been increased from 600,000 to 940,000 was cheered uninterruptedly for 15 minutes by the 2,000 delegates attending the Congress. The vice-commissar for defense declared that the Government had spent 5,000,000,000 roubles for defense in 1934 and that a further 6,500,000,000 would be spent this year owing to the necessity of completing and equipping fortifications in the Far East. He added that coastal defenses in the Far East had been greatly strengthened during the past four years.

Japanese Movie Star Will Attend Soviet Cinema Anniversary

Souin Kamiyama, one of Nippon's most popular movie stars, will represent Japan at the Moscow celebrations, commemorating the fifteenth anniversary of the first Soviet moving picture, on February 15. Five of Japan's best known actors received invitations from the Soviet Government to attend the celebrations, but all of them, except Mr. Kamiyama, found themselves unable to go because of the pressure of work.

American Minister Johnson to Return Here Feb. 11

Nelson T. Johnson, American minister to China, Mrs. Johnson and son, are expected to arrive February 11, on the *President Coolidge* from the United States where the minister and his family have spent the last two months on home leave. During his visit to the United States, Mr. Johnson conferred with President Roosevelt, William C. Bullitt, U. S. ambassador to the Soviet Union, and Professor James Harvey Rogers, American silver expert who spent six months in China studying the silver problem. Mr. Johnson will addreses members of the Pan-Pacific Association of Shanghai before the returns to the American Legation in Peping.

Dr. Ivan Lee Holt Preaches First Sermon in Community Church

Dr. Ivan Lee Holt, President of the Federation of Churches of Christ in America, in his first sermon at the Community Church in Shanghai Sunday, Feb. 3, graphically sketched the influences at large to-day. He drew parallels between the conditions in America and those prevalent around the world. Without forsaking the larger horizons, he nevertheless emphasized individual responsibilities and charted the individual course most likely to result in a constructive understanding universally applicable. His sermon was entitled "The Road Ahead."

Gen. Yen Chi-chiang Is Guest of Missionaries at Tenghsi

Details of a visit by Gen. Chang Chi-chiang to Tenghsien, Shantung, several weeks ago, are given by the *North-China Daily News* correspondent in said city. Gen. Chang is the originator of what is called the "Ten Society," which is for the uplift of the country not only from a Christian point of view but also socially. Gen. Chang is also one of several to establish a Bible society which has its place of business in Shanghai—it is called "Bible Society of the East." The general's visit followed an invitation by the church people so he was domiciled with one of the missionary body, and while the compound had much the same appearance as soldiers' barracks, yet all passed off with perfect decorum and no trouble of any kind. The general spoke three times to crowded houses.

China's Modern National Leadership

BY HOLLINGTON K. TONG

(*In the Chinese Recorder for January*)

IN this land—traditionally regarded as eternally changeless and sunk in dreams of the past from which awakening was impossible—there was manifested a few years ago a surging, heaving ferment, comparable only to the volcanic lava that is ejected from the bowels of the earth. Men call it the "national movement," or the birth of new national leadership, but at present recognition of what it can accomplish is for the most part confined to a small number of key position leaders. It is the awakening of a minority who seek to guide their countrymen, politically and socially, in the direction of progress.

The hard crust of convention has continually bound fast the seed of new leadership beneath as it struggled to burst through into the light. From the first day of the Republic—it is not necessary to go further back—the conservative elements had rejected each appeal that was made to them to join in the great enterprise of transforming China into an up-to-date country, which had to be undertaken. The dead wrappings of the past had always constrained the aspiring spirit of a reborn nation that demanded a better order of things.

Generalissimo Chiang Kai-shek then stepped out upon the political stage, and after strenuous efforts, succeeded in bursting these dead wrappings asunder. The national movement began. The new life appeared. Modern leadership emerged triumphantly. Under it a series of reforms were introduced, which are destined to save China from gradual distintegration if she is given sufficient time to work out her own salvation unmolested.

It is difficult, if not impossible, to refrain from conceding to Generalissimo Chiang the credit of being the prime mover. Much that has been accomplished during the last few years can be traced directly and indirectly to his influence, support and initiative. From every political camp, even radical, he has gathered his band of helpers to give a new life to the nation. It must be remembered that he has had the loyal assistance—without which accomplishment would have been impossible—of men like Wang Ching-wei, Sun Fo, Dr. H. H. Kung and T. V. Soong, to name only a few.

National aspiration of itself can accomplish little. Although full of fervor and enthusiasm the people can but gropingly progress toward the light unless they have leadership. The contemporary history of Italy, Germany, America and Russia is necessarily largely the history of Mussolini, Hitler, Roosevelt and Stalin. The conditions that existed in those countries obtained also in China. A leader was called for. Someone had to bear the standard and lead the way, and that honorable, but onerous, task devolved upon Chiang Kai-shek. Consequently an account of China's recent national progress in politics, economics and social affairs must needs be mainly largely autobiographical and a record of the personal guidance of the leader placed by Fate in the vanguard.

The Secret of the Government's Achievements

The fact that the leader was born on a lonely farm and lived in his boyhood among the silent hills by the side of rushing torrents tended to make him stubborn and strong-willed, but these very characteristics, which are considered by some as short-comings, have supplied the power to sustain any forward movement that had once been inaugurated with his approval. Here lies the secret of the political and social achievements of the National Government.

But along what lines has China's modern national leadership under Generalissimo Chiang been working? After passing through various vicissitudes, two things had become clear to him. One was the necessity of national unification which be determined should be achieved by political means if humanly possible, while force of arms would be used only as the last recourse. Civil strife, since the establishment of the National Government, has always been initiated by its opponents.

After the completion of the northern expedition, which resulted in the establishment of the National Government in Nanking, force was employed for the first time when the Kwangsi military leaders started a movement against Nanking. When there was further internal dissension within the rank and file of the Kuomintang following the suppression of the Kwangsi leaders, the Generalissimo resigned in order to save the union. Later, when General Yen Hsi-shan and Marshal Feng Yu-hsiang moved against the government, Generalissimo Chiang reluctantly launched a punitive expedition. But unification by force was never his policy, though when force became essential he employed it, and he is now occupied with the campaign for the suppression of the Communists with the object that has inspired him throughout of insuring national unification.

In the second place he became profoundly conscious that without unification China is powerless. Unless China becomes a united whole, he realized, it would be impossible to carry out reforms effectively. Industrial and economic interests are so interlocked that it would not be possible to leave Szechwan in chaos, Kiangsi in the grip of Communists and Honan in the hands of the Red Spears if the rest of the country was to become prosperous. Nor would it be possible to secure respect from the powers and

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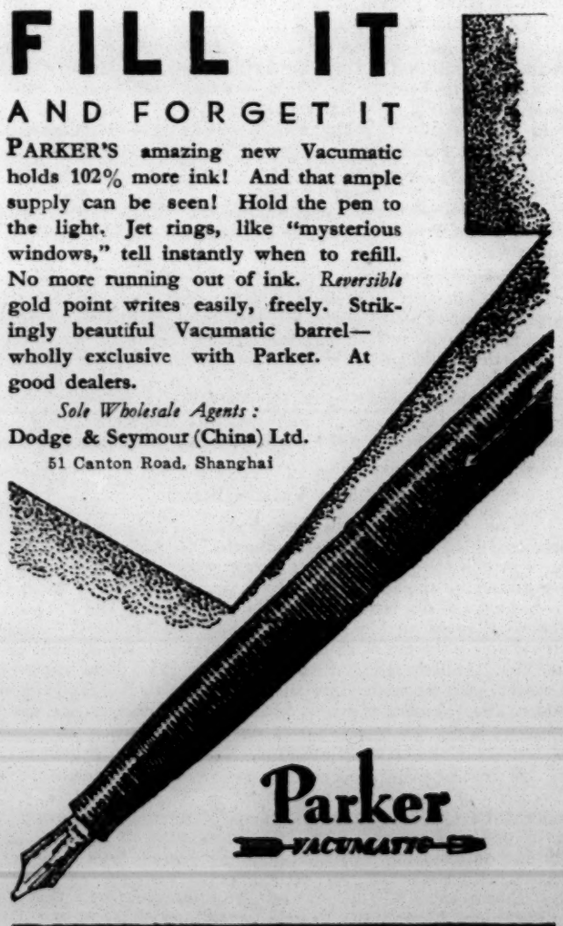

to ward off external dangers if all the provinces were in a semi-independent state and did not recognize the orders of the Government. A house divided against itself cannot stand. Industrial and other developments could follow only when order has been evolved out of chaos in the whole area of China.

But other things have not been neglected. One direction in which China's political development is moving is towards the gradual adoption of a democratic system of government as envisaged by the late Kuomintang leader, Dr. Sun Yat-sen. To this end, intensive preparations are being made to terminate political tutelage and establish a constitutional regime at an early date. Already a complete rational and logical code of law has been promulgated to safeguard the rights of the people. Last year 235 courts and 83 modern prisons were established to enforce the law without inflicting unnecessary hardship upon those who come before the judicial authorities. For the protection of labor, a labor union law was enacted in 1929 to allow the formation of unions along proper lines and under government supervision. The right to strike is so regulated as to safeguard the workers' interests and insure industrial peace at the same time.

Simultaneously, efforts are being made to carry out the order of the Government issued in 1929 that all arrangements for district autonomy in the district (hsien) should be completed by 1934. Nineteen provinces have set up institutes for the training of chu-chang, namely, heads of the sub-divisions of a district. In 1933 more than 8,000 graduates of these institutes were available for appointment. A model local government is being worked out in Kiangsi. Truly, whatever evil the Communists have brought to the people of that province has had its own peculiar compensation. Rev. G. W. Sheppard, a missionary from New Zealand, who has spent fifteen years in Kiangsi, told the writer that he is amazed at the simplicity of the government machinery that has been set up in the districts of Kiangsi which have been recovered from the Communists.

In former days, a magistrate in a district was an important official, who travelled in state, being usually followed by a large retinue. Those who wished to see him on business often found it necessary to oil the palms of the Yamen runners. "But today," Mr. Sheppard said, "magistrates of a different kind are ruling in Kiangsi." He gave an example of a typical modern magistrate. Whenever that official wishes to make a tour of his district, he bundles up his own baggage, throws it into a common bus and then starts travelling exactly like a private individual without official rank. Those farmers who have complaints to make go to him direct. Standing in the courtyard of his temporary office, he will listen to what they have to say and settle the case immediately. Thus China's national leaders are trying to give the people a better government by starting reforms in the districts, and paving the way for district autonomy.

For the further development of a democratic system of government, a constitution is being drafted. Numerous drafts of the constitution have been made. Recent constitution-making owes its genesis to the Fourth Plenary Session of the Kuomintang Congress held in December, 1932. The Congress adopted a resolution, proposed by Sun Fo, providing that in order to meet the national crisis the party should endeavor to bring about, within the shortest time, local self-government throughout the country and usher in, by stages, the period of constitutionalism. It was further resolved that the first People's Congress be convened in March, 1935, to adopt formally a permanent constitution of the Republic of China.

National economic planning has been another policy of China's leaders. It has been adopted by both the ruling party and the national government. The initiative for this came from late? Dr. Sun, who, in his book on "International Development of China", urged: "The state should lead in business enterprises and set up all kinds of productive machinery which will be the property of the state." He advocated the construction of 100,000 miles of railways, 1,000,000 miles of macadamized roads, and other productive enterprises. The book was published in 1919, eight years after the establishment of the National Government.

The Various Plans

Nine years later, the late leader's illustrious son, Sun Fo, produced his "Outline of Reconstruction". As it would take fifty years to complete his father's gigantic scheme at a cost of twenty-five billion dollars, he suggested a ten-year program, but this did not go beyond the discussion stage. The plan called "The Program for Material Reconstruction During the Period of Political Tutelage", providing for the use of half the national revenue for material reconstruction, similarly failed of realization. In 1931, there was evolved a six-year plan recommending railway and harbor building, construction of 200,000 miles of roads, 50,000 miles of railways and national shipping lines, the establishment of basic industries, state aid to agriculture and the colonization of the northwest provinces.

A ten-year plan based on the six-year program approved by the People's Convention was announced in August, 1931, but three months later, the National Economic Council was organized to carry out a three-year plan. Chairman Chiang Kai-shek in an address outlined the plan indicating the general lines along which reconstruction should be carried out. Two new features of the scheme were the training of administrators and international co-operation through the League of Nations.

The National Economic Council set up to execute the plan was at first under the control of the Executive Yuan, but now it receives orders directly from the Government. The Council has five technical committees whose work is to deal with public roads, hydraulic engineering, health, education, and rural reconstruction. Three of them, the Central Field Health Station, Bureau of Public Roads, and the Hydraulic Engineering Bureau, which are administrative organs, have already accomplished a good deal of practical work, but the other two committees are policy-making bodies.

Simultanelusly the four-year plan, which aims at making the Yangtze Valley a centre of industrial reconstruction, has advanced beyond the vaguely idealistic stage. It was based on a scheme for the establishment of basic industries which was worked out by Dr. H. H. Kung, when he was minister of industries. Concrete proposals have been brought forward and foreign capital has been interested. The scheme for the building up of a steel mill along the Yangtze is one of the projects to develop China's central region.

The New Life Movement

Socially, the New Life Movement shows the direction in which China's national leaders are working. This movement, started by Generalissimo Chiang Kai-shek, has taken the country by storm. Madame Chiang in a recent informal chat with foreign newspaper correspondents in Peiping expressed her belief that China's greatest hope was this reform which aims to preserve all the best of China's ancient culture and to blend it with those parts of western culture which China needs. Under the stimulus of the movement, she said that China would have every chance of becoming a great nation within ten years if given a period of peace and prosperity.

The rigid training of Generalissimo Chiang in his boyhood together with indications of juvenile depravity that he had seen during the Fukien campaign at other times, such for instance as children of tender years indulging in smoking on the public streets, induced him to consider methods of combating licentious ways in the young. Soon after his return to Nanchang from Fukien he launched the New Life Movement. In less than a month the movement became so popular that it swept over nearly the entire country. Its inaugural meeting was held at Nanchang on February 19, 1934. Nanking was the first city to respond. Then cities like Tientsin, Peiping, Hankow and Shanghai followed suit.

In one of his speeches Generalissimo Chiang advocated a reversion to the virtues taught by the Chinese sages. These virtues are Li, Yi, Lien, and Chu. "From the pragmatic point of view today we may interpret the four virtues as follows: Li means regulated attitude (mind as well as heart); Yi means right conduct (in all things); Lien means clear discrimination (honesty, in both personal, public and official life); and Chu means real self-consciousness (integrity and honor)." These interpretations are given in "An Outline of the Principles" written by Generalissimo Chiang and translated by Madame Chiang.

He has often inculcated into the minds of the younger generation particularly, loyalty, filial piety, kindliness, love, faith, righteousness and peace. On another occasion, he said that, based as it is on these time-honored virtues, the movement must be made effective by observance of the elementary principles of orderlines, cleanliness, simplicity, plain living, promptness and reliability.

General Chiang—The Central Figure

No social movement can expect to attain immediate and lasting success without a central figure who can throw himself heart and soul into the cause and influence others by example and precept. In the case of the New Life Movement, Generalissimo Chiang is the central figure and his example and precept have made a strong appeal to the masses. There is every reason to believe that the movement will attain tremendous impetus as time goes on.

The depth of the wisdom of China's sages is indeed profound. It is like a living fountain of pure water, ever flowing to satisfy the spiritual thirst of the Chinese masses. Each age goes back to that wisdom afresh in order to drink at the fountain head.

After the Taiping rebellion Viceroy Tseng Kuo-fan tried to restore the observance by the Chinese of their ancient virtues. At present Generalissimo Chiang is endeavoring to lead the people back again to simple living and high thinking, or the right conduct of life, which has been much disturbed by the impact of western civilization in the last sixty years.

After the founding of the Republic twenty-three years ago, the conservative people—here the drama began to move forward and a tragic note was first sounded—refused to throw aside their ancient prejudices and join in the national movement, thinking that they still held the key of knowledge, which as a matter of fact they had lost forever. But Generalissimo Chiang and his colleagues, as they go forth with the fearless steps of youth, will eventually emancipate them from bad social habits and call them back to the ancient ways of living.

China's modern national leadership, with Generalissimo Chiang as the doyen, is heading politically for national solidarity and stability, the democratic system of government, national economic planning (or state control of basic industries), better means of communications, rural rehabilitation and general reconstruction. Socially, it is endeavoring to secure a return to the ancient virtues which stood China in good stead for thousands of years, and to retain those parts of western civilization which have been found desirable for China to engraft. This task is almost appalling in its immensity, but a beginning has been made.

Who's Who in China

唐 健 飛
Tang Chien-fei
Ministry of Industry, Nanking.

Tang Chien-fei, Government official; born at Ninghsien, Hunan, 1903; after being graduated from the Law School of the Hunan Provincial University, he went to Russia and studied at the Sun-Yat-Sen University in Moscow; member of the Special Kuomintang Committee at the University and concurrently director of the organization department of the Committee; after return to China, he was appointed an instructor of Political Science at the Military College in Nanking; chief of the publicity section of the Political Training Bureau of the Provisional Headquarters of the Commander-in-Chief of the National Army, Navy and Air Force; chief of the 1st Section of the Department of Labor of the Ministry of Industry and concurrently acting Director of the Department; address: Department of Labor,

唐健飛，湖南酃縣人，現年三十二歲，湖南大學法科畢業後，留學俄國莫斯科中山大學，曾任中國國民黨中山大學特別黨部執行委員，兼組織部部長，監察委員，中國國民黨中央黨務學校黨政科科長，中央陸軍軍官學校政治教官，江西區長訓練所教授，陸海空軍總司令行營政治訓練處第一宣傳大隊宣傳科長，實業部勞工司第一科科長，現兼代勞工司司長，寓南京甬花巷五號。

American Community in Shanghai to Hold Ball on Washington's Birthday

Following a custom in vogue for many years, the American community in Shanghai will observe Washington's Birthday (Feb. 22) by holding a ball. Plans for the ball were formulated at a meeting of the entertainment committee of the American Community Organization in the U.S. Consulate-General, Jan. 30.

Consul-General Edwin S. Chnningham, who has headed this annual affair since 1920, will continue to give his utmost cooperation.

Cornell S. Franklin, chairman of the entertainment committee, announces the following chairmen who will be directly responsible for the ball: Captain G. M. Neal, arrangements; Colonel S. B. Kennedy, decorations; H. D. Rodgers, floor and music; T. F. Gilman, treasurer; Dr. J. G. Houghton, floats, motorcycles and police; Captain G. M. Neal and Captain M. J. Shearer, refreshments; T. O. Thackrey and Randall Gould, publicity; and C. J. Smith, entertainment.

British Ship With 70 School Children on Board Is Pirated

The British ship *Tungchow*, which left Shanghai Jan. 29 bound for Chefoo with 70 school children on board who were scheduled to return to their studies in the northern port, was pirated enroute and turned southwards by her captors. The Russian guards on board put up a brave fight, and one of them, Sergeant Tihorivoff was shot dead. The non-arrival of the ship at Weiheiwai led to the correct conclusion by the British naval authorities that the ship had been pirated, and several British war vessels scoured the Kwangtung coast, with the result that the ship was located in that region—the pirates, on learning that they were being pursued by war vessels and planes, having abandoned the ship. The ship was taken to Hongkong, and later proceeded northward again, arriving in Shanghai Feb. 7. None of the school children were molested.

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Men and Events

Col. Walter S. Drysdale, American Military Attache at Peiping was in Shanghai on a brief visit last week.

Major-General S. S. Hsiao, Chinese military attache in Tokyo, arrived in Nanking during the week on furlough.

Yu Kang, a suspect in connection with the Sze Liang Zai murder case, was arrested in Pootung on February 2.

The Tokyo police authorities announced Feb. 6 that Chinese students in Tokyo numbered 3,500 at the end of last month.

Dr. Hu Shih, the well-known Chinese philosopher and historian, returned to Peiping Feb. 4 from Nanking by train.

H E. Newbill, manager of H.E. Newbill Company of Tsingtao was in Shanghai on business this week. Mr. Newbill was formerly American Vice-Consul, stationed in Tsingtao.

Mr. and Mrs. R. B. Nichols of Tientsin arrived in Shanghai this week from a trip to the United States and after a few days here planned to proceed to their home in the north.

General Ho Yao-tsu, first Chinese Minister to Turkey, who was originally scheduled to leave China for Angora in the middle of this month, has postponed his departure till the beginning of March next.

Robert Haas, Director of the Transit and Communications Section of the League of Nantions, arrived at Nanking Feb. 4. He was welcomed by Chi Fen, Secretary-General of the National Economic Council.

Lieutenant-Commander Robert G. Robeson, of the U. S. S. *Sacramento*, was admitted into the Royal Naval Hospital in Hongkong on February 3 with a damaged foot, which necessitated the amputation of the leg. Fears for his life are entertained.

The death occurred at Hangchow Feb. 2 of Chiu Wei, Chairman of the Administrative Committee of the Tientsin-Pukow Railway, following a sudden attack of appendicitis. Mr. Chiu had returned to Hangchow to attend the funeral on his father.

Robert ("Bob") Hill, director of Alumni Activities of the University of Missouri, who is this year serving as president of Rotary International, is scheduled to arrive in Shanghai Feb. 11 on the Dollar liner ss *President Coolidge*, accompanied by Mrs. Hill.

Sir Willian Peel, Governor and Commander-in-Chief, Hongkong, announced Jan. 31 that he would depart on leave on May 18 prior to his retirement from office. Andrew Caldecott, Colonial Secretary, Straits Settlements, since 1933, will succeed Sir William.

The Foreign Y.M.C.A. in Shanghai has inaugurated an Institute of Chinese Studies, with Dr. Kiang Kang-ha at the head. Dr. Kiang will deliver lectures every Wednesday evening for two months on the Chinese Government and Social Institutions and on Friday evenings on Chinese Religion and Philosophy.

Judge Milton J. Helmick of the U.S. Court for China Feb. 1 granted a petition for the appointment of a receiver for Ladow's Tavern Inc., and the Casanova Cabaret. The petition was presented by Dr. F. Wilhelm, representing 22 dancers to whom the cabaret is alleged to be in debt in the sum of $2,349.25.

The death occurred in New York of Jan. 31 of Richard Washburn Child, formerly U.S. Ambassador to Italy. Mr. Child came to China in 1917 as the correspondent for *Asia Magazine* but resigned later to join the diplomatic service. He was scheduled to visit the Far East with the delegation of the National Foreign Trade Council, but illness and death supervened.

A drive against obscene advertisements is being launched by the Nanking Municipal Government. All newspapers in the Capital are being warned against the publication of advertisements of a salacious or immoral nature; for instance, pictures or drawings of nudes or dancers must not in future be printed as part of advertisements.

Ricsha pullers and sedan bearers in Kansu province will be trained to serve as Police Volunteers by the Lanchow Bureau of Public Safety. According to a report to the Ministry of Interior, the ricsha pullers will be divided into groups of five, and sedan bearers into groups of 10, for regular training once a month under the auspices of the Police authorities in their respective wards.

The annual meeting of the American Chamber of Commerce of Shanghai will be held at the American Club Feb. 15, at 5.30 p.m. Two amendments to the by laws will be voted on viz:—To enlarge the Board of Directors from 11 to 15 members and increase participation in the work of the Chamber; and to eliminate activities taken over by American Community of Shanghai.

Chinese circles are much aroused by the proposed exhibition in Geneva, of a French film, entitled "Croisiere Jaune" produced by the Citroen Automobile Factory, which contains several sequences detrimental to Chinese interests. The French film when last shown in Paris was the cause of a storm of protest by Chinese students in France, and resulted in a protest from the Chinese authorities.

Julean Arnold, U. S. Commercial Attache who recently returned from a visit in the United States, during which he covered a large part of the country and contacted most of the important personages in public life in America, will address the American University Club, Shanghai, at an informal "Stag Dinner" at the Clover Restaurant, 990 Bubbling Well Road, on Tuesday, February 12, at 8 p.m.

John J. Muccio, Consul in charge of the Administrative office of the U.S. Consulate-General at Shanghai, who is now home on leave will return to Shanghai in April.

Devere Kostoff, attorney and counsellor at law, formerly of Derroit, Michigan, has taken over the legal business in Shanghai of the former firm of Fessenden and Holcomb. Mr. Holcomb returned to America last week. Mr. Kostoff's office will be located at 97 Jinkee Road.

The Rev. and Mrs. Herman Swenson of Kuyuan, Kansu province, who have been visiting in Shanghai for sometime, are planning to return next week to Kansu. Their three children, Franklin, Pearl and Joan, who are students at the C.I. M. school at Chefoo were passengers on the steamer *Tungchow* which was captured by pirates last week. Rev. and Mrs. Swenson came to China several years ago from Jersey City, N, J.

In order to enable Mei Lan-fang, famous Chinese female impersonator, and his troupe, to stage a series of performances in Russia at the official invitation of the Soviet Government, it is learned that the Government has decided to bear part of Mei's expenses on the trip. The total expenses of Mei and his 23 fellow-actors are estimated at $180,000, which will be secured from the following sources: 1. contributions by Shanghai gentry; 2, government subsidy; and 3, amount to be raised by Mei himself.

More than forty passengers on the No. 41 eastbound passenger train of the Peiping-Liaoning line were injured and several third-class cars badly damaged at Lutai at noon of Jan. 28 as the result of an collision between the locomotive and the rolling stocks when the former, after taking a fresh supply of water, was driven backward to be attached to the train, but it ran with such force that a collision ensued. Following the accident ambulance cars were immediately despatched from Tongshan to take away the injured. The engineman who is alleged to have caused the accident was taken into custody by the authorities.

Li Shih-tseng, member of the Central Supervisory Committee of the Kuomintang and a leader in promoting Sino-International Intellectual cooperation, returned from France last week. In an interview he mentioned that in Lyons there is the Franco-Chinese University of which he is the founder. Two or three years ago, he also founded the Sino-International Library which has its home in Geneva. In Paris he was busy with the work of the Institute of Chinese Studies of the University of Paris, of the Institute of Intellectual Cooperation of the League of Nations, etc. He mentioned that it was his practice to attend the international conferences dealing with scientific and intellectual subjects. He recalled that he went to Europe in 1932 and did not return to China until April of 1933.

Judge Helmick Refuses Divorce—One Year China Residence Not Established

Judge Milion J. Helmick in the U.S. Court for China last week dismissed a petition for divorce filed by Mrs. Rosalie H. Mulvihill Crum, wife of Otto L. Crum, a petty officer in the United States Asiatic Fleet, on the ground that plaintiff failed to establish her claim to have been a bona fide resident of China for at least one year. Mrs. Grum arrived here last year from America with 17-year-old daughter, Coletta, who is married to a Pittsburgh truck-driver.

Japanese to Form Huge Real Estate Organization in Shanghai

The *China Evening News*, Shanghai, states that Japanese business circles are planning to establish a series of real estate companies for the purchase of land and buildings in the down-town business area of the city. The paper claims information from a reliable Japanese source to the effect that a Japanese Real Estate Owners Association has been formed, with Y. Hayashi as chairman. It is stated that Mr. Hayashi has gone to Japan to secure funds for the flotation of a Japanese real estate company in Shanghai, capitalized at Yen 10,000,000, and that the company will be inaugurated some time this month.

Leopold Stokowski Coming to China and Japan

Leopold Stokowski, the illustrious leader of the Philadelphia Orchestra, will visit Japan and China in the near future. In this connection, Basanta Koomar Roy, author of "Rabindranath Tagore: The Man and His Poetry," writes:—"It goes without saying that China, the land of Confucius and Laotze, and perhaps the most cultured nation on earth, will most warmly welcome Mr. Stokowski and give him every facility for his studies in the staggeringly stupendous art history, art tradition and art lore of China. This will forge another beautiful link in the golden chain of the proverbial friendship between America and China; for Leopold Stokowski is America's supreme Ambassador of Art. And it is high time that the rulers and the peoples of the earth know, understand and realize that the greatest Ambassadors of Culture are indeed the truest Messengers of Permanent Peace."

THE GIST OF JAPANESE PRESS OPINION

The C.E.R. negotiations have at length been concluded. Apart from its effect on the stabilziation of the conditions in the Far East, the most appreciable fact is, that the end of the C.E.R. talk removes all Japanese suspicions about U.S.S.R. and that diplomacy is more effective than armed force.—*Tokyo Kokumin.*

There is talk in England advocating the renewal of the Anglo-Japanese alliance. Whatever their motives may be, Japan must not take such rumors too seriously, when it is remembered how the British nation cancelled the old Anglo-Japanese Alliance Treaty.—*Tokyo Yomiuri.*

According to the latest communique issued by the Kwantung Army Headquarters, the Outer Mongolian troops who intruded into Halha within the Manchu territory, would not retreat notwithstanding the repeated demand by Manchukuo. Japan should do her best for peaceful settlement, in view of the Soviet influence behind the intruders.—*Osaka Asahi.*

That the direct Sino-Japanese conversations were brought about at last in Nanking, is a positive proof that friendly Japan-China intercourse is on the fair way to re-establishment. Improvement of the situation presupposes suppression of anti-Japanese movements in China. This is no easy task to accomplish, but with patience it can be done.—*Tokyo Miyako.*

One preliminary court judgment was recently prepared in spoken style language instead of in the classical style. This is certainly an improvement. Spoken language is fast replacing written language in a citizen's daily life. It is highly advisable that the above Court example should be followed in preparing official papers.—*Tokyo Jiji.*

In order to ensure proper regulation of agricultural product prices, there is a necessity for sales control. But the agricultural groups such as the industrial guilds and agricultural association seem disagreed in regard to details of such control. We hope these organizations will come to an agreement.—*Tokyo Kokumin.*

Statue of Dr. Sun Yat-sen to Be Erected at Nanking

In perpetuation of the memory of the late Kuomintang leader a bronze statue of Dr. Sun Yat-sen will be erected at Sinkaikow commercial center of Nanking Municipality, by members of the Kuomintang both at home and abroad. It is estimated that the total cost of the statue will be $500,000, of which $36,000 has already been subscribed by overseas Chinese members, while the remaining sum will be raised locally.

Jian Chen Assumes Duties of Mint Director

Jian Chen, Deputy Governor of the Central Bank of China, who was recently appointed concurrently Director of the Central Mint in succession to Lu Hsueh-pu, who has resigned, formally assumed his new duties at the Mint February 1. A large gathering of local financial and economic leaders were present to extend to the new Mint director their congratulations.

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"Then, on the advice of a friend who owns a dispensary, I started a course of Dr. Williams' Pink Pills. The good they did surprised me. The rheumatism was soon driven out of my system. I was freed from pain; I began to eat and sleep well. I have kept in good health ever since."

If you suffer from any ailment due to impure blood or disordered nerves Dr. Williams' Pink Pills, the world's most famous blood and nerve tonic, will surely do you good. Try them. They are obtainable from all chemists.

CUSTOMS NOTIFICATION No. 1427

A copy is appended for the information of the public of a set of regulations for the marking of weights of heavy steamer-borne parcels and packages which are now to be enforced in accordance with Government instructions.

H. O. Tong,
Superintendent of Customs.

L. H. Lawford,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 30th January, 1935.

REGULATIONS GOVERNING MARKING OF WEIGHT OF STEAMER-BORNE PARCELS AND PACKAGES.

(Promulgated on the 23rd November 1932.)

Article 1.—When steamer-borne parcels or articles the gross weight of which is above 1,000 kilogrammes are shipped by sea or inland waters, their weight shall be clearly marked on them by the consignor before shipment. The marking may be in the form of a label, the size of which must not be less than 40 centimetres in width and 60 centimetres in length. It must be durable, clearly marked, and securely affixed on the parcel or article.

Article 2.—The language used in marking the label shall be Chinese characters and arabic figures.

When parcels or articles are imported from abroad, with their weights originally marked in a foreign language, the Customs shall translate them into Chinese.

Article 3.—For bulky and heavy articles, such as timber, iron, and stone, etc., the weight of which for special reasons cannot be definitely ascertained, the consignor shall mark the approximate weight on such articles in accordance with Article 1.

Article 4.—When parcels or articles whose weight has not been marked are being discharged, the captain of the steamer or other responsible person shall report the approximate weight of such parcels or articles to the stevedores.

Article 5.—Should the consignor be an organisation having the legal status of an individual, or should he be unable to act, the responsibility defined in these Regulations shall be assumed by his representative or his legal agent.

Article 6.—These Regulations shall have effect as from date of promulgation.

CUSTOMS NOTIFICATION No. 1428

The public is hereby notified that in accordance with the Government instructions the period during which the reduced export duty rate of 5% *ad valorem* on frozen ducks is to be effective is extended until the 31st March, 1935.

H. O. Tong,
Superintendent of Customs.

L. H. Lawford,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 1st February, 1935.

New Books of Interest in the Far East

A Companionable Book of Essays

The Best English Essays: Volume II, Modern Authors. Edited with Biographies, Notes and Questions by Heavy Huizinga, M. A., Ph.D. Shanghai, Commercial Press, Ltd., 1934. 336 pages. $2.40 Mex.

This is a charming collection of modern essays to be considered as a windfall for the general reader and not only as a textbook for college students. It seems impossible that one can get so well chosen a group of essays at such a reasonable price. Although this is a natural sequel to Dr. Huizinga's volume of essays by the old masters, it stands quite independently. The first volume had less opportunity for personal choice on the part of the editor—the writers of the essays of earlier generations have long since been evaluated and put in their proper niches. To bring together a group of modern essayists, many of them now living, is to adventure into a less charted ocean where personal taste and judgment map the course.

The variety in this book is as great as the number of essayists. The delicious Stephen Leacock's "Oxford as I see It" and A. G. Gardiner's whimsical "Fellow Traveller" are antipodal to Edward Thorndike's "The Psychology of Labor" and H. G. Well's "The Gifts of the New Sciences." In this essay on "The Art of the Essayist," Arthur Christopher Benson writes:

> "An essay is a thing which someone does for himself; and the point of the essay is not the subject, for any subject will suffice, but the charm of personality."

The reviewer of this volume can give no better recommendation than to observe that each of the thirty writers included has in his own unique way worn his heart upon his sleeve for the inspection of the reader. The charm of the essays depends not upon the subject matter—war, college freshmen, Tai Shan, a hippopotamus, a runaway hat—but upon the charm of the mind which has conceived the essay and the vivid record of the impressions.

From the point of view of a text book, its primary object, one must take into consideration the introductory chapter and the notes for Chinese students, written with the background of nearly forty years of teaching experience. The introduction discusses teaching and classroom methods and the basis of choice for the essays included. The biographies, notes and questions cover nearly a hundred pages. The brief biographies will be of interest to all readers of the book, and the lists of books by the various authors are well included. It is a matter of regret that Dr. Huizinga has not added in all cases the book or publication in which the essays first appeared.

With so much of satisfaction in this book it is with some diffidence that the reviewer calls attention to what she considers "false notes" in the editor's emphasis. With his inimitable humor Stephen Leacock describes the tutorial system at Oxford.

"We go over to his (the tutor's) rooms," says one student, "and he just lights a pipe and talks to us." "We sit round with him," said another, "and he simply smokes and goes over our exercises with us." From this and other evidence I gather that what an Oxford tutor does is to get a little group of students together and smoke at them . . . A well smoked man speaks and writes English with a grace that can be acquired in no other way."

With a lapse of humor which ill agrees with the essay itself, Dr. Huizinga in the notes makes of smoking a moral issue. It is a mistake if an editor feels it necessary to bring up a quite debatable and personal moral issue when purely literary values are concerned. One wonders why Dr. Huizinga takes exception to Chesterton's amusing use of Milton's line in "they also serve who only stand and wait for the two-fifteen." And one is startled by the unwonted description of Hendrik Van Loon as "one of the most learned men in the world."

This is a companionable book, a book which should give real joy to students in school and to all others who love life both for its accomplishments and its inevitable surprises.

F. M. R.

Mrs. Roosevelt Urged Entry of U. S. Into Hague Court, But in Vain

The participation of the United States into the Permanent Court of Justice at The Hague was urged by the President's wife in a broadcast address at New York, Jan. 28. Asking her listeners to request their Senators to vote for the entry of America into the World Court, Mrs. Roosevelt said that the conditions under which George Washington declared against entangling alliances in Europe no longer existed. "We are part of the world," she added, "no matter how much we may wish to live unto ourselves alone."

Later—The U. S. Senate Jan. 30 voted 52—36 against U. S. adhering to the Hague Court.

LIN YUTANG HE SPEAK TO HIROTA IN STRAIGHT PIDGIN LANGUAGE

Lin Yutang, the well-known Chinese "Little Critic" contributed the following to the China Critic on Jan. 31:

I have studied not only English grammar, but also historical English grammar. But what's the use of it all? The trouble with China today is that our diplomats speak too beautiful English and in this way play into the hands of Japanese diplomats by using hackneyed phrases like "view with grave concern" and "share the responsibility for the peace in the Far East" which don't mean nothing to nobody except the white-gloved fellows themselves. What we want is a more straightforward and less dishonest language.

It don't matter really if the Chinese diplomat speak broken English or even pidgin. The matter thing is that the Chinese diplomat have got the people behind him and have got a foreign ally. Now the Chinese diplomat he no got the people behind him and he no got foreign ally. All he can do is to wear a pair of white-gloves and hand them foreign diplomats ice-cream. Now the Japanese come and say, "Your Excellency, I want Fukien," and what can the Chinese diplomat say? Can he say, "No?" and if he say "no", the Japanese he say "Why not?" So where you be? But suppose he got the people behind him, he say "Your excellency, I very like to give you Fukien, but my people no allow me. They chop me head off. If another man take my place, they chop his head off. I say no can, and when I say no can, I mean no can. Try it. You pretty soon find out what's trouble. They'll boycott you."

I tell you China was never so low-down. Japan bullied China, alldetime, the Japan never bullied China like now because there ain't no boycotts. The diplomats see to that first. So what's the use of your flowery correctly grammatical English? But suppose I got the people behind me on one hand and one foreign ally behind me on other hand, I can talk podgin and win any diplomatic talkie battle you want. For instance, this is want I will talkie to Hirota in reply to his speech at the Diet the other day:—

Missa Hirota, I speak to you as one small man in big country to one big man in small country. I hear you talk other day in the Imperial Diet you wanchee share responsibility for peace in Far East. I no believe you, and no wanchee believe you. Anybody got sense no wanchee believe you. Because today you talkie peace in Far East and tomorrow your soldier man bang! bang! bang! in Chahar and your air man burr! burr! burr! over the Great Wall. That prove your talkie no good.

I no like say it, but have got to say it now, and I know you are a big man, your stomach can sail a boat, and you don't mind. You Japanee diplomats allays say things that dont mean nothing. At Leagueof Nations,your diplomat tell all the world you no wanchee Manchuria, and now you do wanchee Manchuria. Next you say you no wanchee Puyi and then you kidnap him from Tientsin and now you wanchee Puyi. You allays talkie peace, peace, peace, and your soldier man allays go bang, bang the very next minute. Remember your diplomat promise League of Nations no aggrivit situation and then your soldier man aggrivit situation before the League of Nations got a chance to think matter over. Now you say you no wanchee fight in Chahar and Inner Mongolia while I know all the time—I knew this long ago time—you go bang bang bang in Chahar and Inner Mongolia this spring and this summer before Europe got clear her trouble and Soviet Russia got ready in Siberia. That's how you're going to "share the responsiblility for maintaining peace in the Far East."...All I can say is I shall weep for the peace in the Far East.

You say the other day that you "fervently hope that China . . . . Will awake to the realization of the whole situation in east Asia and undertake to meet the genuine aspirations of" your "country." That is a whole lot, Missa Hirota. If I ever awake to the realization of the whole situation in east Asia, especially all along Vladivostok and Inner Mongolia, I shall never sleep a wink for 1935. And if I undertake to meet the genuine aspirations of your country, I shall be a very, very bad man for my country, and my father he won't call me his son. No, no, Missa, I can't do that. What you wanchee is not Pan-Asiatism but Japan-Asiatism. I like the pan, but I no like the Jap about it.

I know what you going to say, Missa Hirota. You are not going to invade Chahar and Inner Mongolia unless you receive an "unprovoked attack" and foreed to send a "punitive" expedition. Consequently whenever you take a slice of territory off China, you are allays in the right and China is allays in the wrong. But I ask you, is there a time when Japan took a slice of other people's territory and she don't find hereself in the right? You allays have your causes belli, but there ain't a bellum and you ain't got a casu for it, and you ain't in the right. When a Chinaman kill three Japanese chickens, it is a casus belli, but when Japan take away a couple of million square miles from China, you say you are not at war with China, but call it a local "affair." Well, all I can say is that you are going to have a lot of "local affairs" this summer, you have to force yourself against your will to take Inner Mongolia and China will still be in the wrong.

Well, I know China is allays in the wrong and will allays be in the wrong until she have got a air-fleet to bomb Osaka or join hands with Russia. When she have got a big air-fleet, then she be allays in the right, and then where is you? Then I ask you Missa Hirodas, where is you?

I make sure, honourable Missa Hirota, when China have got a big air-fleet and have got join hands with Russa, then I is allays rights and you am allays wrong.

So in conclusion, Missa Hirota, I have only one thing to say. I wanchee be friends with you, but I no wanchee share responsibility for the maintenance of peace in the Far East with your country. I responsible, then you no responsible: you responsible, then I no responsible. I no wanchee responsible for the kind of peace you mean. You share it all yourself.

The Spy Mania in Japan

The following are extracts from a letter written by "Sincerity" from Korea, Jan. 24, to the Japan Chronicle.

Smart detective work recently revealed Noble Mackenzie of the Australian Presbyterian Mission in Fusan in his true light as an international spy. The astuteness of the man is amazing. His methods are probably unparalleled in the history of espionage. He spent fifteen years in the New Hebrides as a missionary, obviously with the sole purpose of establishing *bona fides* that would safeguard him in his perilous life work. In order that his transfer to Korea might not seem too obvious he succeeded in contracting blackwater fever and left the islands ostensibly to save his life. This was twenty-five years ago. He then volunteered to come to Korea secure in the conviction that no one would question his motives. But his next step was a masterpiece. Instead of going among the great and influential and worming secrets of State out of military and civil authorities, the chose to work among the lepers of Korea, thinking in his cunning way that no prying eyes of officialdom would think to seek him out among the outscasts of society. Safe in the isolation of his leper colony he was able for many years so carry on his deep laid schemes, presenting all the time to the world outside the appearance of nobility and self-sacrifice which are supposed to be the brands of missionary Christianity. So well did he succeed in his nefarious purpose that the Blue Ribbon Medal, which has seldom been given to a foreigner, was conferred on him.

It must be understood that this land is within the fortified zone of Fusan, and Mr. Mackenzie has no right to photograph, sketch, survey or fly over this land without a permit from the commander of the naval base at Chinkai. The Mission to Lepers in London, which supplies half the funds, is also constantly asking for photographs to advertise the work. (Can you not now begin to see the subtlety of the man?)

Mr. Mackenzie had a camera which he did not dare to use; but about a year ago the new leper hospital was opened and dedicated by a visitor from Australia. At that time Mr. Mackenzie called in a professional photographer to take a number of official photographs. He bought two films privately and asked the professional men to take some snaps with his (Mr. Mackenzie's) camera, develop them and fulfil the last letter of the law. The photographer did not understand the camera and asked Mr. Mackenzie to click it himself. The subjects of the photos were the patients of the leper home, the untainted children of lepers and the visitors to the dedication ceremony.

A few weeks ago a gendarme visited his house and cross-questioned him about his camera which was handed over and hasn't been seen since. The only other things confiscated were a beautiful presentation volume of photographs of Fusan given to him by a Japanese friend long before there was any fortified zone or any embargo on photography, together with some photos taken by Mr. Mackenzie himself in those distant and relatively safe days (from 10 to 18 years ago).

THE FIRST THING TO DO FOR A COLD.

Whilst the cause of the "common" cold still remains to be discovered, despite centuries of medical research, it is a generally agreed fact that the first thing to do for a cold is to have a cleansing of the intestinal tract.

For this purpose Pinkettes are perfection. Gently laxative and at the same time stimulating to the liver, Pinkettes quickly dispel constipation, assist digestion, relieve headache and that feeling of congestion associated with colds. They are also ideal for the prompt correction of biliousness, flatulence, foul breath, and to relieve piles. You can purchase Pinkettes at chemists everywhere.

In the United States Court for China

In re.
Estate
of
JOSEPH CHARLES STRITZEL,
Deceased

Cause No. 3786
Special Proceedings No. 1004
NOTICE
Filed at Shanghai, China, January 23, 1935.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of JOSEPH CHARLES STRITZEL, deceased, to present the same with vouchers to the undersigned on or before August 16, 1935, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Raven Trust Company,
Shanghai, China.

Shanghai, China.
January 23, 1935.

In the United States Court for China

In re.
Last Will & Testament
of
EDWARD BELL,
Deceased

Cause No. 3789
Special Proceedings No. 1005.
NOTICE
Filed at Shanghai, China, January 31, 1935.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of EDWARD BELL, deceased, to present the same with vouchers to the undersigned on or before August 2nd, 1935, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

MARY BELL,
Administratrix.
117 Thorne Road,
Shanghai, China.

Shanghai, China.
January 31, 1935.

In the United States Court for China

EDWARD JAMES SMITH,
Plaintiff,
vs.
BERNICE BRINK SMITH,
Defendant.

Cause No. 3803
Civil No. 1759
ORDER
Filed at Shanghai, China,
January 31, 1935.
William T. Collins, Clerk.

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by his attorneys, has this 21st day of January, 1935, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 21st day of January, 1935, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 21st day of January, 1935, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has she resided therein during the past six months and that defendant's last known address was 524 Garden Street, Coeur d'Alene, Idaho, U. S. A.

NOW, THEREFORE, it is this 21st day of January, 1935, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, Shanghai, China, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 23rd day of February, 1935, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 21st day of January, 1935.

MILTON J. HELMICK,
Judge.

CUSTOMS NOTIFICATION No. 1429

With reference to Customs Notification No. 1,405 the public is now notified that, in accordance with Government instructions, coastwise shipments of groundnut oil from Tientsin will be exempted from interport duty for two years from the 1st February, 1935.

Coastwise shipments of groundnuts, shelled or in shell, from Tientsin are still subject to the payment of interport duty.

H. O. Tong,
Superintendent of Customs.

L. H. Lawford,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 2nd February, 1935.

Opportunities for Trade With American Firms

Persons interested in communicating with any of the firms, whose inquiries appear herewith, are recommended to apply to the Commercial Department of the U. S. Consulate-General at Shanghai, mentioning the number of the particular inquiry.

327—Illinois manufacturers of a line of face powder and cream wish to contact distributor for all of China for their products.

328—New York fur broker desires to get in touch with shippers of furs and skins to the United States.

329—New York firm desires to contact leather dealers and shoe manufacturers.

330—An individual in Brooklyn, N.Y., is interested in establishing connections with firms dealing in animal casings.

331(530)—An American firm in New York desires to export motion picture films.

332(531)—A Los Angeles enterprise desires to export Champagne.

333(532)—A Washington grower of apples and pears desires representation.

334(533)—A Shanghai sales outlet for petroleum products (lubricating oils and greases, match waxes, white oils, asphaltums, etc.) is desired by a New York concern.

335(534)—A New York house desires a trade connection in Shanghai to sell shoe polishes and cleaners.

336(535)—A San Francisco firm offers old newspapers and canned goods.

337(536)—A Shanghai sales agent for canned abalone is desired by a Seattle concern.

338(537)—Glazed and decorative tiles are offered by an organization in California.

339(538)—A distributor for commercial stapling machines is desired by a concern in Ohio.

340(539)—A Pacific Coast sales agent offers cosmetics, canned fruits and vegetables, fruit extracts, ladies' readymade dresses, pharmaceuticals, etc.

341(540)—A New York enterprise desires a Shanghai trade connection for cosmetics and manicure specialties.

342(541)—A Brooklyn house wishes to market powder puffs and powder in Shanghai.

343(542)—A Missouri organization desires a sales outlet for its line of agricultural equipment; road and street equipment; truck tanks and trailer transport lanks for transporting gas and oil; dairy equipment of aluminum or stainless steel.

344(543)—A Philadelphia manufacturer offers chemical recharges for all types of fire extinguishers.

345(544)—A well-known grower of garden seeds desires to export its products to Shanghai.

346(545)—A Shanghai agent-distributor of Bourbon whisky in barrels is desired by a Californian distillery.

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"We were greatly worried about the child until we began giving her Baby's Own Tablets. They soon made a new child of her. As the worms were dispelled her stomach pains ceased, her appetite improved and she slept well and soundly. In quite a short time she was completely cured.

(signed) Luang Ruang Dej
Sagarakhand,
Silon, Bangkok, Siam."

An eminent medical child-specialist's favourite prescription, Baby's Own Tablets are promptly effective in correcting infantile constipation, indigestion, colic, diarrhoea, teething pains, croup, colds and to expel worms. You can obtain them at chemists everywhere.

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The National City Bank of New York, Rates of Exchange

Shanghai, Feb. 7, 1935

Demand selling rate on America:	U.S.$1.00=Sh. $ 2.82
Demand buying rate on America:	U.S.$1.00=Sh. $ 2.77
Demand selling rate on London:	£1.0.0=Sh. $13.76
Demand buying rate on London:	£1.0.0=Sh. $13.52

Latest New York Stock Exchange Quotations

February 7, 1935

Business Done:
Total Volume:- 560,000 Shares

1933-34 High	1933-34 Low	Div. $ per sh.	STOCKS	Last Sale Feb. 5	Last Sale Feb. 6
115⅝	47½	3.00	Air Reduction	110½	110½
33	11½	1.20	Alaska Juneau	17	16⅞
160¾	70¾	6.00	Allied Chemical	134	134
26⅝	6	—	Allis Chalmers	16⅜	16
42½	9½	0.80	Am. Brake Shoe & Fdry.	26	25½
117¼	49½	4.00	American Can	112¾	112⅞
89⅞	13	—	Amer. Comml. Alcohol	26¼	26
22½	8¼	0.40	Amer. Cyanamid "B"	16½	16
19⅝	3⅜	—	American & For. Power	4	3⅞
39⅛	5⅞	—	American Locomotive	17	16⅜
19	4⅝	—	American Radiator	13⅜	13½
53½	10¾	—	American Smelting	33½	33
134¾	86½	9.00	American Tel. & Tel.	104¼	103
94⅜	50⅜	5.00	American Tobacco "B"	82	82⅝
48¼	10⅞	1.00	American Waterworks	12½	12⅛
22⅞	5	—	Anaconda Copper	10	10
35¼	12⅝	1.00	Atlantic Refining	24	24
84¼	16⅞	—	Auburn	23¼	22½
37⅞	8¼	—	Baltimore & Ohio	10⅞	10⅜
49½	10⅞	—	Bethlehem Steel	29½	28¾
11	6¾	—	Boeing Afrplane Co.,	8¾	8⅞
81¼	5½	1.00	Borg Warner	29⅜	29
20⅞	7½	—	Canadian Pacific Railway	12⅝	12⅜
103½	30½	—	Case, J. I.	53⅞	52¾
40¾	15⅞	1.40	Chase National Bank	24⅞	24⅝
52½	14⅜	2.50	Chesapeake Corporation	39	37¼
60¾	7¾	1.00	Chrysler	37	36⅝
28⅛	6⅝	—	Columbia Gas & Electric	6⅞	6⅝
57¼	9	0.60	Coml. Solvents	20	19½
6¼	1	—	Commonwealth & Southern (ord.)	1⅛	1
64¼	19	1.00	Consolidated Gas of N. Y.	19	18⅞
67¼	28¾	2.40	Continental Can	65⅝	64½
23⅜	4⅞	1.00	Continental Oil	17½	17¼
90¾	45⅝	3.00	Corn Products	62⅞	62
9⅞	2	—	Coty Inc.	5⅝	5¾
28½	10¼	—	Douglas Aircraft	21⅞	21½
103⅞	32½	2.60	Du Pont de Nemours	93	92½
117⅝	46	4.00	Eastman Kodak	112	111¾
31⅜	10	—	Electric Auto Lite	23⅞	23½
41⅜	6	—	Electric Bond & Share	6	5⅝
19	8¼	—	Fox Film "A"	10½	10½
50⅜	16¼	1.00	Freeport Texas	20⅜	20¼
43⅜	13¾	1.00	General America Transport	35¼	35½
30¼	10½	0.60	General Electric	23½	22½
39⅞	21	1.80	General Foods	34	33⅞
42	10	1.00	General Motors	30½	30
28⅜	3⅜	1.00	Glidden Co.	24	23½
27⅜	12	1.20	Gold Dust	16	15⅞
47¼	9¼	—	Goodyear Tire & Rubber	21⅝	21
50⅜	7½	—	Illinois Central	12¼	12½
40	6½	0.25	International Cement	26½	26½
46⅞	13½	0.60	International Harvester	40	39½
29¼	6⅜	0.60	International Nickel	22⅝	22½
21⅜	5¼	—	International Tel. & Tel.	8⅜	8½
66⅜	12¼	—	Johns Manville	50½	49¼
26	7⅜	0.60	Kennecott	16¼	16⅛
110	49	4.00	Liggett & Myers "B"	103⅞	105
37¼	8½	1.00	Loew's Inc.	31⅞	31½
25¼	10⅝	1.20	Lorillard	19⅞	19⅝
35⅜	8⅝	—	Montgomery Ward	25⅜	25¼
43	16⅞	1.00	National City Bank	21⅞	21⅝
33¼	16½	0.50	National Distillers	25¾	26
53½	14	—	New York Central	16¼	16
36¼	10¾	1.00	North American	12	11⅞
96⅜	31½	4.00	Owens Illionois Glass	87	86¼
31⅞	13¼	1.50	Pacific Gas & Electric	13⅝	13⅜
43⅜	21	3.00	Pacific Lighting	21⅞	22
6⅞	1⅜	—	Packard Motors	4½	4½
42¼	13⅝	1.00	Pennsylvania Railroad	20½	20
20⅝	4⅜	1.00	Phillips Petroleum	13⅝	14½
12¼	3	—	Radio Corporation	5	5
54¼	26½	3.00	Reynolds Tobacco "B"	47¼	47
51⅜	12½	—	Sears Roebuck	33⅜	33¼
19⅞	6	0.60	Socony-Vacuum	14¼	13½
28	10¼	1.50	Southern California Edison	11⅝	11⅝
22½	3⅝	—	Standard Gas & Electric	3⅝	3⅝
50½	22⅜	1.00	Standard Oil Co. of N. J.	29⅜	29⅜
66½	45⅜	3.80	Sterling Products	60⅝	60½
30⅛	10⅜	1.00	Texas Corporation	19¼	19⅝
9⅝	2⅝	.12½	Transamerica	5¼	5½
51⅞	19⅜	1.40	Union Carbide & Carbon	46	45⅞
133⅞	61¼	6.00	Union Pacific	98½	96½
15½	8½	—	United Aircraft (New)	13¼	12⅜
14½	2¼	—	United Corporation	2¼	2¼
25	10⅜	1.00	United Gas Improvement	10⅜	10½
62½	21½	2.00	Universal Leaf	53	53
25	2⅞	—	U. S. Rubber	13¼	13⅛
67½	28⅝	—	U. S. Steel	35¼	35¼
36¼	7⅝	— ⅜	Vanadium	17⅛	16¼
13⅜	1	— ⅜	Warner Bros. Pictures	3⅜	3⅜
58⅜	19⅜	0.25	Westinghouse Elect.	37	36⅜
65⅛	25⅛	2.40	Woolworth	54	53½

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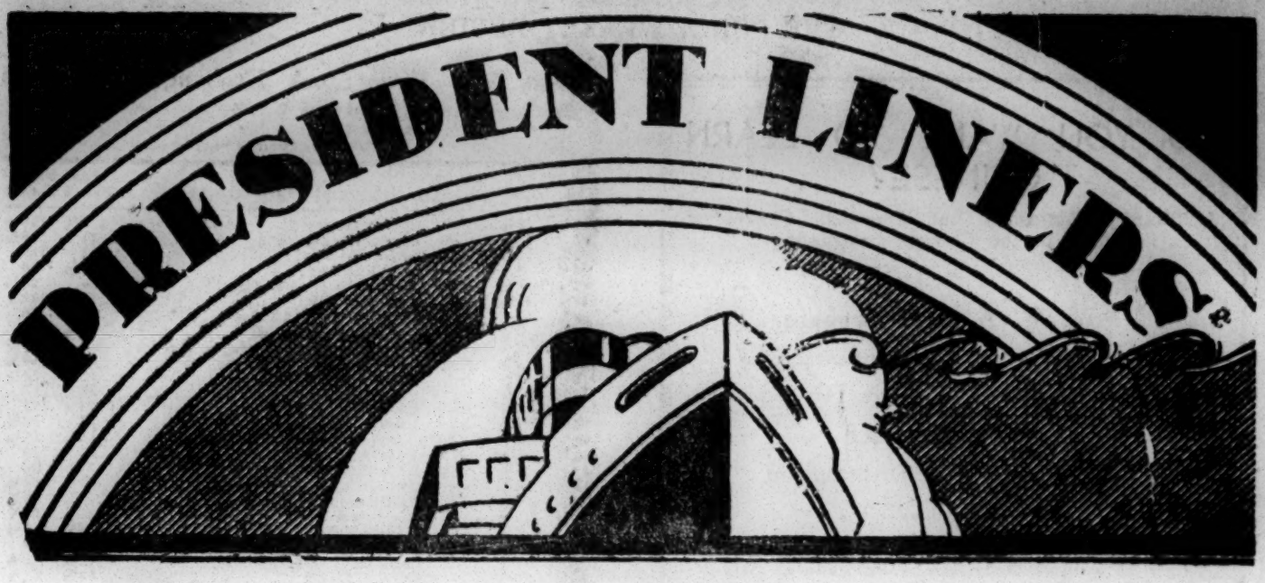

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